Tourists: A War Industry page 9

THE FINANCIAL POST

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Vol. XXXV | Member of Audit Bureau of Circulations | PUBLICATION OFFICE: TORONTO, APRIL 26, 1941 | 10c a Copy: $5.00 a Year | No. 17

The Nation's Business

Businesslike Deal Between Friends

Prime Minister King seems to have done a good and businesslike job of settling some of the financial and business problems between Canada and the United States.

This week's agreement is the logical extension of Ogdensburg. Defense production facilities of the two countries have been in effect pooled. Extensive use will be made by the U. S. of Canadian factories. Both countries can now go "full out" on producing war materials.

The United States has also in effect ensured us that we need not worry about finding U. S. dollars; they will be supplied as needed.

These are important gains for Canada, as well as for the United States.

Canadians will approve and appreciate them while reserving the right to weigh them later against the price Mr. King may have paid for them. The budget next week will no doubt reveal more of the terms.

* * *

Some conditions seem to have been laid down. Mr. King mentioned one: an easing of our travel control. That will be all to the good.

The New York Times hints at another: that the U.S.A. may send troops to guard Canada. This would be a shameful admission on our part of national decadence. Canada raised nearly 600,000 men in the last war when its population was less than three quarters of what it is today. We can ourselves raise all the troops we need for both overseas and home service. We need no protective occupation of Canada by troops of even a friendly country. The Prime Minister should end this rumor at once by a clear-cut statement.

It is reported too that a third condition is that Canada lift the 10% import tax. We have probably agreed also not to go ahead with further import taxes and embargoes that had been planned for the new budget.

* * *

If President Roosevelt has laid down these or other conditions it is to be hoped that we, too, have asked for conditions that are appropriate in an agreement for common defense. It is to be hoped, for instance, that Canada's peculiarly vulnerable position in the world's economic position is to be recognized so that there will be no insistence by Secretary of the Treasury Morgenthau for a fire sale of Canada's American investments. This was a condition laid down for "aid" to Britain. Between Canada and the U.S.A. there is no question of "aid" one way or another but of joint plans for common security.

* * *

Whatever the full terms of the agreement they will emerge in due course. Until the full story is known final comment must be reserved. But on the basis of the revealed facts Mr. King has done an excellent job.

Canada gains the immediate benefit of not having to lay out scarce U. S. dollars to buy American-made component parts of war materials shipped to Britain; items such as machine tools, engines, airplane instruments, etc.

In addition we gain the benefit of full-scale production for our many plants that may soon be producing beyond immediate needs on Canadian and British account—plants producing explosives, anti-aircraft gun barrels, motor vehicles, corvettes, etc. This "rationalization" of the defense industries of the two countries, with Canada selling the U. S. certain items where we were already tooled up for full production, was forecast in these columns last summer as an inevitable consequence of the U. S.-Canada joint defense agreement.

Canadians may take this development as an amazing tribute to the efficiency reached in many of our industrial plants.

In the last war we made shells for the American forces. Who would have thought the day would come so soon when we should be selling the United States a product calling for such scientific accuracy and technical skill as Bofors guns?

* * *

Together these two moves—putting the U. S. dollar content of Canadian production for Britain into Lease-Lend "aid" to Britain, and using Canadian skills to produce items for U. S. defense—may effect a total saving of between $400 and $500 millions in Canada's deficit on dollar account.

As American dollars represent one of the most serious bottlenecks in our whole war programme, the arrangement entered into by Mr. King and the President is of the utmost significance and value.

On the face of it, the Prime Minister seems to be entitled to very high marks for his week-end's work.

* * *

MAKING THE MOST OF TRAVEL DOLLARS

The suggestion from Prime Minister King that travel restrictions to the United States may be eased is most welcome. With the bottleneck in U.S. dollars being opened to the extent of $400 millions or more, we can afford to permit more travel by Canadians across the border. Such visits by experienced Canadians to their friends across the line are needed if there is to be fuller appreciation by Americans of our war effort, and to counteract the great and growing misunderstanding right across the United States.

The Financial Post has taken the lead in urging a more intelligent embargo on travel. It is naturally gratified that the Government is coming around to the view expressed by it, the Montreal Gazette, the Winnipeg Tribune, the Soo Star and numerous other papers.

This promises to be a better tourist year. Well conceived promotion campaigns are being carried out in the United States by the Canadian Government and several provinces, as well as by railways and hotels. Now it is up to Canadian communities and individuals to see that the tourists, when they come, are well looked after. This will necessitate a well co-ordinated national and community effort in the field of "clean-up, paint-up"; improvement of accommodation and menus; avoidance of the offensive use of American flags, etc. A special article in this issue deals with many of these important points.

* * *

Most unfortunate is the fact that a much needed overhauling of the Dominion Government's organization for the co-ordination of tourist activities has failed to materialize.

There is reason to fear that even the interdepartmental committee on tourist trade, named last year to co-ordinate Canada's tourist effort, may disintegrate. The committee's most important accomplishment was a round-table conference of tourist officials from all parts of Canada, held last fall. Since then, little has been heard of it. Its functions are purely advisory.

Disappearance of the committee would be a backward step at a time when the best administrative leadership is urgently needed behind the tourist effort.

* * *

CANADA NEEDS A STRONGER LABOR MINISTRY

The gathering clouds of a labor storm point unmistakably in one direction; the need for stronger direction of Canada's all-important labor portfolio.

At Montreal this week, the member-hungry Steel Workers Or-

(Continued on page 2, col. 4)

Aluminum Considers Expansion

Seek Large Block of Power to Make Further Increase in Output to Aid Empire

From Our Own Correspondent

MONTREAL.—Further expansion of aluminum production in Canada is under active consideration. No definite plans have yet been formulated, because of the difficulty in securing adequate supplies of electrical energy.

Enquiries have been made by Aluminum Co. of Canada among the power companies to see if it is possible to secure a large block of power for additional smelter capacity. The difficulty lies in bringing together a block of power sufficiently large to warrant plant extension.

Power Big Factor

At this time all power available in the Saguenay region is being used by the Aluminum Co. of Canada, aside from that required by other industrial plants in the area. Power for steam raising purposes in the pulp and paper mills has been cut off and diverted for use in smelting operations.

Aluminum Power Co., associated with Aluminum Co. of Canada, has undertaken to change the runners on the water wheels at the Chute à Caron plant which, it is anticipated, will "pick up" about 25,000 h.p. when the new runners are installed.

The large block of power sold by Saguenay Power Co., another unit in the Aluminum group, to Shawinigan Water & Power Co. was "recalled" last year. This amounted to over 100,000 h.p.

Last fall Aluminum Co. of Canada secured approval from the Quebec Public Service Board to construct

(Continued on page 5, col. 5)

Railworkers Bonus Fight Up To Board

From Our Own Correspondent

MONTREAL.—One hundred thousand railway workers have moved one step nearer to their goal of a cost of living bonus which, if granted, will cost the Canadian National and Canadian Pacific Railways several millions of dollars.

Hon. Norman McLarty, Federal Minister of Labor, announces establishment of two boards of conciliation under the Industrial Disputes Investigation Act.

One board will deal with application from workers who are members of 18 standard railway labor organizations covering various classes of services on both railway systems.

The other board will deal with an application from clerks, freight handlers, passenger station employees, sleeping car and dining car employees and other classifications employed by the Canadian National and the Niagara, St. Catharines and Toronto Railway.

It is expected both public and private hearings of both boards will be held in Montreal, Ottawa and elsewhere.

Two Different Demands

The dispute between the C. N. R. and C. P. R. employees arises out of

(Continued on page 2, col. 6)

$5 Millions For Wartime Housing

From Our Own Correspondent

OTTAWA. — Expenditure of $5 millions within the next three months is indicated in the current programme of Wartime Housing Ltd. This company was created Feb. 24 to provide suitable living accommodation for war workers.

Of this total about $3 millions has been presently authorized to be spent as follows: At Hamilton: $500,000 for 200 individual houses and an ambitious "staff centre" costing about $250,000, housing some 525 men and including dining halls, lounge rooms, bowling alleys, billiard rooms, etc.

In the Niagara Peninsula about $1¼ million will be divided about equally between Welland, Fort Erie, Niagara Falls and St. Catharines. In the latter city, for example, the company will build about 100 individual houses and staff rooms or "dormitories" for some 300 men.

At Halifax about $500,000 is now being spent with the prospect that an equal amount will be authorized shortly.

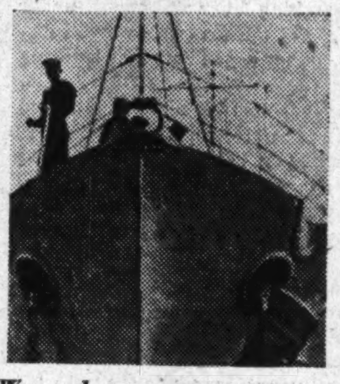
Individual houses being built by the company are expected to cost about $1,500 to $1,800. Staff houses to accommodate about 90 men, about $25,000 each. These figures vary, of course, according to locality.

See address given at the Conference of Canadian Mayors at Ottawa this week by J. M. Pigott, president of the company, page 7.

Plan to Lift Trade and Tourist Bars In Joint Canada-U. S. War Effort

Big Effect on Entire Canadian Economy is That Deal Ends Threat of Extreme and Inflationary Financial Pressure

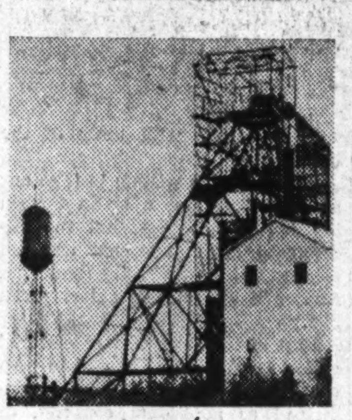
Things Canada . . . .



We make corvettes

. . small arms ammunition . .

. . Bofors gun barrels . . .



. . many tons of copper . .

. . . . May Sell U. S.

. . mechanical transport . . .

. . explosives in quantity . .

. . Bren guns . . .

. . and aluminum.

War production in Canada and the United States is to be pooled following the Hyde Park conference between Prime Minister King and President Roosevelt. This means each country will concentrate on that production it has demonstrated its ability to do best.

The output is to be available, practically without restriction, to either party and also to Great Britain or other democracies defending themselves.

Canada's acute foreign exchange problem to be given relief through new exports to U. S. and elimination of financing imports of materials used here in war orders for Britain.

Major factors involved are:

Concessions to Canada

American materials and parts needed in Canadian production of war equipment for Britain now to be forwarded to us under Lease-Lend to Britain. Canada, thus, relieved of approximately $200 millions a year financing.

United States will import surplus and other war materials from Canada to the value of $200 to $300 millions annually. Products considered most likely are gun barrels, machine guns, ammunition, armored mechanized equipment, corvettes, aluminum, uniforms, explosives.

Concessions to United States

Canada reported likely to lift special 10% war tax on imports, now estimated to be bringing in $65 to $100 millions a year.

Canada to consider modifying ban on Canadian pleasure travel in the United States, which officials estimated saved us from $65 to $75 millions in U. S. exchange last year.

How the New Agreement Will Work

By STAFF WRITER

OTTAWA.—One of the chief concessions Canada has offered the United States, in return for an agreement to pool war production, is removal of the 10% War Exchange Tax on non-Empire imports, The Financial Post is informed on good authority.

When Prime Minister King discussed his new deal with President Roosevelt on his return to Ottawa this week he dwelt largely on the extensive benefits to be accorded Canada. The only return benefit specifically mentioned as being discussed at Hyde Park was a possible lightening of the present ban on pleasure travel by Canadians in the United States. Now The Post hears that the special war import tax may also be lifted.

Concessions Worth Millions

These two concessions by Canada would cost this country at least $100 millions annually in U. S. dollar exchange and it is quite possible more than twice that much. This would be offset, of course, by a huge new export of Canadian-made war equipment to the United States and by the forwarding to Canada under Lease-Lend any American materials needed in Canadian production of war equipment for Britain. Up until now Canada has had to finance this import herself.

The latter concession will save Canada probably $200 to $300 millions in U. S. exchange while the new export may create up to $300 millions of new credit in the United States.

All of these figures, of course, are preliminary estimates, maybe erring on the optimistic side. Details of the new proposal are only now being worked out and appraised by experts.

Canada now collects on its spe-

(Continued on page 2, col. 4)

The War And Business . . A Weekly Round-up

Dove-tail Efforts

Biggest war news on the economic front this week, of course, is the King-Roosevelt deal negotiated at Hyde Park, N.Y. Main result indicated will be a more complete dovetailing of Canadian and U. S. war effort. Canada will concentrate on those lines that have already reached or are nearing the full volume stage; the United States will handle the remainder. Output will be pooled for the use of either party and, of course, of Great Britain or any other country standing up to the dictators.

Scarcity of U. S. dollars, hitherto a threatening factor in Canadian war production, is to be eased. Full implications of the whole development are discussed in a leading article on this page.

* * *

Danger in Reverses

It took the surrender of France to really arouse the American people to the immediate necessity of backing Britain. Since then, however, this fixed policy of U. S. aid has made its speediest progress during the period of British successes. W. L. McTavish, editor of the Vancouver Province, explains this curious development in a dispatch from Washington:

"The administration believes it can move faster and farther along the road of all-out support to Britain when the news is of military and diplomatic successes, while reverses have a chilling effect.

"There is a section of public opinion here, of which the isolationists in Congress are the political spokesmen, that feels the best to be hoped for in Europe is a negotiated peace. Every military success of the Nazis is taken as supporting that attitude.

"It is unlikely that the President will hesitate at all in pushing his policies through by reason of that factor, but he may feel his task is made more difficult."

* * *

U. S. War Opinion

Incidentally this American public opinion is being constantly sounded. Dr. George Gallup and his corps of questioning assistants are working overtime. Latest Gallup poll still shows U. S. public opinion overwhelmingly opposed to full out war against Germany, some 79% of the answers saying "no" to sending an army to Europe. A quarter of the latest war survey answers, however, favored extending the aid of American warships and air force to Great Britain.

Advices from Washington indicate that President Roosevelt is keeping a careful eye on the development of public opinion. It also intimated that if the authorities thought it necessary they could release sufficient startling evidence on Nazi activities in the States to tip the scales any time in favor of a declaration of war.

* * *

Even Civilian Sacrifices

There is growing evidence that curtailment of civilian purchasing is not to be confined to the Canadian side of the international border. Recent Ottawa moves are being closely followed by Washington. Steps are already under way or contemplated in the United States toward reducing output of passenger automobiles and other similar semi-luxury durable goods. The object is to release more plant, skilled labor and capital for the production of armaments.

These duplicate moves in the United States are expected to do much to eliminate any potential friction that might result from a wide difference in standard of living between American and Canadian peoples. Mutual sacrifices will have opposite effect.

* * *

Labor Outlook

In sympathy with the current trend in the U.S.A. an increasing number of keymen in Canadian government circles look upon as inevitable the rapid unionization of Canadian labor on a very comprehensive scale.

What is not so generally recognized is the danger of a policy of passive non-resistance to such a trend on the part of Government in view of the facts:

1. That the Canadian Government is the dominant employer of labor in respect of wartime contracts.

2. That unlike the situation in 1914-18, responsibility for wage increases falls directly on the Government and the taxpayer, since most contracts for war supply are on a "present" price basis with the Government assuming the cost of any wage increases it subsequently approves.

* * *

Strikes

A well-informed American observer, in Canada on a visit this week, sized up the U. S. defense strike situation this way:

The strikes have passed their peak. Public opinion is strongly opposed to the exploitation of the present emergency by the more irresponsible leaders of labor.

Most of the strikes have originated with C.I.O. unions. A.F. of L. unions have been involved in a smaller number.

Only a handful of strikes have been immediately traceable to Communist agitators. But in the background the Communist influence has been strong in C.I.O. strikes. This dates back to the time when John L. Lewis, seeking to expand his organization several-fold overnight, tied up with prominent Communists in order to get the benefit of the party's underground organizing facilities.

C.I.O. organizers have regarded strikes as a means of building up union rolls; they have had only a secondary interest in the immediate wage increases gained.

Increases in basic wages in steel, etc., are threatening to touch off an inflationary rise in prices.

* * *

Convoy Crisis

The convoy situation is fast approaching a crisis. Startling announcements from Washington may be expected any time. Present heavy sinkings are reducing tonnage available to British close to dangerous minimum. New construction in dominating volume from U. S. and Canada will not be available before next year. Only cure then is to cut down destruction of existing vessels, hence necessity for quick U. S. action. Details are discussed on page 3.

* * *

German Equipment

Daily there comes more evidence that short-cuts to victory in this war through a German famine of key materials just can't be expected. Latest myth to be exploded is aircraft.

Some German planes captured in Great Britain have been sent to the United States. Expert engineers who have examined them now declare that they appear well equipped and of sturdy construction. Except in the matter of protection for the flyers they are said to be about on a construction par with most American machines. There seems to be no stinting in the use of magnesium, lightest of all metals for plane manufacture, though this material is now scarce in both U. S. and U. K.

On the other hand, two Nazi weaknesses have been revealed. Lubricating oil in German machines shot down is of poor quality. And, man for man, German airmen—judged by those shot down and captured—do not match British fliers.

* * *

North American Defense

Quietly overshadowed by the war front in Britain and the Balkans has been the defense preparations taken along our own shores. A few days ago co-chairmen of the Canada-U. S. joint defense board, Mayor La Guardia of New York and Col. O. M. Biggar of Ottawa, announced that final plans for active defense of either Pacific or Atlantic coasts have been completed. From now on the board will merely keep its plans up to date, ready to be put into operation the instant either coast is menaced. The plans, of course, are based on a whole series of defense works being developed by both governments.

Fear Clash Over Labor Shaping Up

Unions Move to Loose War Controls — Face Resistance of Government and Employers

Increased tension along the Canadian labor front developed this week from the rising truculence of union groups, striving to loosen wartime reins on workers in war supply industries.

Organized labor leaders are becoming rapidly more restive. Some are straining to shake off the restraint of the war effort on their activities. The threat of a widening breach between union spokesmen, employers and Government officials responsible for industrial relations, looms as differences of viewpoint become more acute.

A number of recent outlaw strikes were cut short by Government pressure and second-thought readiness of strikers to conform to the law. But prospect has developed of other walkouts despite official warnings which might force Ottawa to take summary action to maintain war supply output. Unions are pressing for a looser curb on strikes in war industries, as well as for freer policies to allow for higher wartime wage levels and more unionization of workers in key industries.

Veiled Warning

Apparently intended as a warning to labor was the statement by Prime Minister Mackenzie King at a press conference.

Speaking about the new Canada-U. S. war production programme, Mr. King said the deal would undoubtedly provide for "full production" but "always provided there are no unfair demands for payments of goods and services." This is considered a diplomatic but firm answer to any groups, labor or otherwise, which attempt to exploit the present situation.

Swing of Pendulum

The swing of the labor pendulum is carrying the more militant labor leaders away from their earlier avowals of eager co-operation, and their adherence to date to war policies laid down by Ottawa, toward defiant refusal to "play ball" any longer.

The trend is reflected in the aggressive demands emerging from the recent conference in Montreal of leaders of the Canadian wing of the Steel Workers Organizing Committee. This branch of the C. I. O. steel unit moved to scrap the Government wage ceiling policy (Order-in-Council 7440); to withdraw from the National Labor Supply Council all delegates of the Canadian Congress

(Continued on page 5, col. 3)

U. S. Ignorance Our War Work "Abysmal"

Finds Canadian Effort Almost Entirely Unknown to Americans

By JOHN LANGDON
Eastern Editor, The Financial Post

NEW YORK. — A Canadian has but to visit the States to find one of the most glaring weaknesses in Canada's war effort.

It is the failure to tell the American people what the Dominion is doing in the fight against Hitlerism.

On all sides one hears expressions of unbounded admiration for the magnificent courage of the people of the British Isles and their ability to "take it"; for the British navy, the British armed forces on land and in the air; of the Australians and New Zealanders.

Unquestionably the British are getting their story across to the American public. They are doing it simply, but effectively.

But the American people are abysmally ignorant of the Dominion's war effort. It would seem every effort has been made to keep from the American public any news or knowledge of what Canada is doing in the war.

Americans have heard, only in a fragmentary way, about the British Commonwealth Air Training Scheme. On the other hand they know little or nothing of the Canadian army. They enquire if the Dominion is manufacturing airplanes, guns, tanks and other war equipment. They don't understand the travel restrictions between the two countries.

And while some of them are hesitant in saying so to a Canadian, they believe Canada is selling materials and supplies to the British on a cash basis when the United States has adopted a Lease-Lend bill to aid Britain.

Want Something Done

Canadians resident in the States in their own small and unorganized way have done much to correct misunderstandings. But there is a limit to what they can do.

In order to reach the "man on the street" a recognized Canadian Government agency—or to follow the lead of other countries and call it a Library of Information—is strongly recommended here.

It is recalled that when the travel restrictions went into effect last July

(Continued on page 5, col. 6)

at EATON'S

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THE T. EATON CO LIMITED
TORONTO CANADA

Name New Head For Shipbuilding

From Our Own Correspondent

OTTAWA. — Appointment of new director-general of shipbuilding construction for auxiliary naval vessels will shortly be announced here, The Financial Post is informed.

New director will be F. A. Willsher, until now chairman of the Board of Steamship Inspection at Ottawa. Mr. Willsher is rated one of the foremost naval architects in Canada. He will take over much of the work now being done by D. B. Carswell. Mr. Carswell will return to Montreal to direct the increasingly important job of ship repairs.

Third figure in Canada's shipbuilding and repair programme is H. R. MacMillan, who heads the new government-owned company created recently to undertake a big cargo ship construction programme.

Mont. Tramways Committee Named

Two Bodies to Represent Bondholders in Negotiations With Company

From Our Own Correspondent

MONTREAL. — Appointment of officers and extension of membership is announced by one of two existing Montreal Tramways Co. 5% first and refunding mortgage bondholders committees.

Formation of the other committee is announced by National Trust Co., Toronto, and membership shown in another story in The Post.

Officers and members of the earlier committee are:

C. O. RUGGLES — Chairman, professor public utility management and regulation, Harvard University, representing New England banking interests.

WILLIAM C. GILMAN — Formerly director of public utilities division of the Securities and Exchange Commission, and now consultant of Gilman & Hickey, New York.

W. H. EDDY——Former vice-president of Chase, Harris, Forbes Corp. and Equitable Trust Co. of New York.

GEORGES BELLEAU — Vice-president of Caisse du Economie, Quebec City.

H. C. HAYES—McDonald & Currie, Montreal.

STANLEY STANGER — Guardian Trust Co., Montreal.

PAUL E. LETOURNEAU——Secretary of the committee, Montreal.

JOSHUA MORRISON — Assistant secretary, New York.

Famous Players Redeem Remaining Series A

Famous Players Canadian Corp. is redeeming June 1 next the entire outstanding $350,000 of series A first mortgage bonds. These bonds would have matured on June 1, 1942. Redemption price will be 101, plus accrued interest. This will leave the company with $5,192,000 of 4½% bonds due 1951.

Loblaw Groceterias Pays 12½ Cents Extra

Extra dividend of 12½ cents per share on the class "A" and class "B" stock of Loblaw Groceterias Co. has been declared along with the regular quarterly dividend of 25 cents on each class of stock on June 2, 1941. This will bring total payments for the current year ending May 31 to $1.25 per share of each class of stock an amount equal to that paid in the past four fiscal years.

Weekly Record of Financing in Canada

OFFERINGS OF CORPORATIONS AND FOREIGN SECURITIES

Bond Issues—	Date Issued	Offered by	Rate	Due	Amount	Price	Yield
Forest Hill Village	Apr.	F. L. Craig	3¼%	1942-50	$30,227		
			3¼%	1942-56	3,795	100.50	3¼%
			3¼%	1942-61	30,000		
Dominion—							
Canada Treasury Bills	Apr.			July 16, '41	40,000,000	99.857	.586%

The Nation's Business

(Continued from page 1)

ganizing Committee publicly flouted the cost-of-living wage bonus plan that had previously been given unanimous approval by their own and all other leaders of organized labor.

This is a middle-of-the-road plan designed originally as a compromise between—

(a) what labor felt could and should be obtained by way of wage increases in a wartime labor market and

(b) established government policy of strict control over the dangerous wage-price inflationary policy.

It is a policy which, by giving labor the virtual right to wages at least as high as those which prevailed in 1926-29, plus a cost of living bonus whenever prices increase, has already made wartime industrial labor the most favored of any group of citizens in Canada.

Compared to farmers and tax-ridden employers, industrial workers in war industry, under the cost-of-living policy which S.W.O.C. has now repudiated, have been put in a most favorable position.

* * *

What this C.I.O. affiliate demands for some 30,000 to 50,000 workers in the steel plants of Canada is a basic minimum labor rate of 37 to 127% above the boom levels of 1926-1929. Present wage scales are from 11 to 12.5% greater than they were in that period.

Such a fantastic demand at a time of national crisis points to only one thing—an effort by power-seeking labor racketeers, under the cloak of unionism and the welfare of the worker, to breed discontent and strife. In other areas, union organizers are ignoring the law, and getting away with it.

In this war (unlike 1914-18) the government is directly involved as an employer of labor. Almost all the 100,000 contracts placed since the beginning of the war impose on the government direct responsibility for paying any increase in wages over and above those prevailing at the time the contract was let.

This makes the need of a strong Ministry of Labor urgent and imperative.

Unless and until that department is headed by a man of outstanding courage and decision there can be no assurance that the government's wise policy of controlling wages and prices is being adhered to, or that willing, loyal industrial workers are not at the mercy of racketeering labor "leaders" whose demands are not supported by the veterans of Canada's real labor leadership.

* * *

How quickly and decisively will the Minister of Labor move to meet the type of war profiteering being preached by S.W.O.C. leaders?

To date he has dilly-dallied dangerously when matters involving quick and decisive action have arisen.

For example: Canada has on its statute books a wise and proven labor statute (the Industrial Disputes Investigation Act) which now applies to all wartime industry and which makes any strike in such industry illegal until a board of arbitration has been named and has given its decision.

Already, in a number of instances, such strikes have been called illegally. Yet to date the Minister of Labor has shied away from a policy of cracking down instantly on such law-breakers. True, he has sent conciliators and others to try and get matters straightened out. But in wartime there can be no compromise or toadying to those who deliberately flout the law in this way.

There are no more loyal or willing men and women in Canada than the hundreds of thousands now working (many for the first time) in industrial war jobs. There is no more loyal group than the true leaders of Canadian labor now sitting on war boards at Ottawa. Canada's wartime labor policy is their policy. They look to a strong, courageous Minister of Labor to protect their interests, ensure fair play and outlaw predatory racketeers who incite strife and disruption while mouthing honeyed words of friendship for the workers.

Hon. Norman McLarty, Canada's present Minister of Labor, is not giving such leadership at the present time. The Prime Minister this week said that our new war supply agreement with the U. S. would insure full production "always provided there is no unfair demands for payments of goods and services."

Mr. King was obviously talking about the exploiters in the labor ranks. How is he going to meet these "unfair demands?".

Plan To Lift Trade And Tourist Ban

(Continued from page 1)

cial war import $65 to $100 millions a year. This would be relinquished.

Lift Travel Ban?

Estimates of the amount of tourist dollars which would have been spent by Canadians in the U. S. in 1940 had not restrictions been introduced the beginning of last summer, are placed at $65 to $75 millions. With generally greater prosperity in Canada in 1941 the latter figure could, it is believed, be easily realized. In the first six months of 1940, before the Canadian ban went into effect, Canadians spent $30 millions on travel in the U. S. and, of course, the first half of the year is the lightest from a holiday travel standpoint.

As yet it is not known how far the Prime Minister has committed Canada in removal of pleasure travel restrictions. Removal of these restrictions has been consistently opposed by Canada's Foreign Exchange Board. The opinion freely expressed here is that, if this ban is going to be removed, Canada should make a much more determined and effective effort to stimulate U. S. travel in Canada. It is felt that if this were done on an increasing scale the amount which Canada might lose by letting down her barriers would very quickly be overtaken. It is not considered likely that Canada will throw open pleasure travel completely. At most a modification of the present plan is being considered.

Canadian Investments in U. S.

Negotiation of the Hyde Park deal has not removed entirely the possibility that the U. S. may decide to require liquidation of some of Canada's holdings of U. S. securities.

This liquidation, which would be on capital account, has, however, assumed less significance now that the U. S. has clearly indicated its willingness to face the facts of Canada's adverse trade balance and has made an undertaking to find ways and means of correcting that discrepancy. Over a period of years, any amount which would be realized by such sale would be small compared with the balancing of trade account such as is provided for in the new agreement.

Exchange Problem

Pooling of the war production of Canada and the United States has long been considered by certain officials of the Department of Munitions and Supply. Careful study of production costs and schedules in the two countries convinced these officials that Canada could without great difficulty produce materials for sale or use in the United States over and above British production and at costs which would compare very favorably with those of the U. S.

The U. S. was willing to take our munitions, as was done in fact in the first Great War, but the exchange problem involved was not solved until Mr. King and Mr. Roosevelt got together last week end.

Most of the sales of war material which the U. S. has agreed to purchase from Canada have been described as additional capacity, or production over and above present schedules. This is not strictly true. In many cases, involving some of the most important items in the deal, Canada is planning new or additional capacity, in fact has already made arrangements for such a contingency. Aluminum production will be definitely extended. New ships and raw materials account for about 50% of the expected $200 millions sales quota.

Little if any of this new production will involve additional purchases of machine tools, etc., from the United States. Once a factory is equipped ready to turn out the first machine gun or the first pound of aluminum it is a relatively simple matter to expand production from that first stage.

The most important job now facing Canada is to actually "sell" our surplus capacity of ships, gun barrels, raw materials, clothing and so forth to the six or eight different government buying agencies at Washington. A lot of tough merchandising and salesmanship will be required on Canada's part to get our products and materials accepted by U. S. defense buying agencies.

A senior member of the department of Munitions and Supply is returning to Washington this week to tackle this one job. He will probably remain there a month until our sales quota (estimated now at $200 to $300 millions) has been reached.

Export Permits Branch Set Up

OTTAWA. — C. R. Heasman, formerly Canadian trade commissioner at Batavia, South Africa and London, will be named to head the new export permit branch now being organized to centralize issuance of export permits. The order-in-council establishing this branch becomes effective May 5.

Since the outbreak of war export permits have been required for an increasing volume of goods. These permits have been obtainable from a large number of different sources.

From now on everything will be centralized.

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Railworkers Bonus Fight Before Board

(Continued from page 1)

a demand by employees for a cost of living bonus.

The other group not only seeks the cost of living bonus, but an advance in basic wages for certain classes of employees.

The railway companies take the stand that payment of a bonus is not justified by the general advance in living costs.

Over the past few months some corporations have granted cost-of-living bonuses to their employees. Generally speaking, it has averaged about $1.25 a week. This practice has been by no means general.

The move on the part of the railway employees is not only important to the railways as meaning the possible addition of several millions to their wage bill, but to all industry.

If the railway workers are successful it means cost-of-living bonuses may become general, with a very direct bearing of the national war effort.

Workers Well Paid

Railway workers are not only highly organized, but as a group represent the largest body of workers in the country. As a group they are also highly paid.

Last year Canadian railways reported the ratio of operating payroll to operating revenues at 47.5% The year before it was 49.8%. Payroll chargeable to operating expenses in 1940 was $191,912,205, divided among some 127,028 employees, for an average of $1,511. In 1939 the payroll, on the same basis, was $180,806,811 and number of workers 121,009, for an average of $1,494.

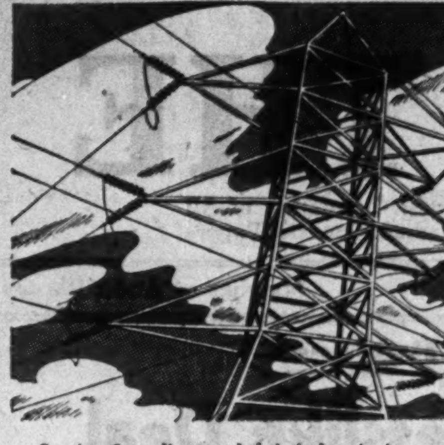
The average railway wage in 1940 was near an all-time record. Only in one year did railway workers receive a higher average wage. That was in 1920, when the officially reported average of pay was $1,569.

During the depression the railways were forced to reduce wages. But by 1939 the wage cuts had been restored and with restoration in wage cuts has come considerable increase in volume of employment.

CONS. DIVERSIFIED SECURITIES

From Our Own Correspondent

MONTREAL. — Consolidated Diversified Standard Securities Ltd. has advised the Montreal Curb Market that at March 31 net asset value a share of preferred stock amounted to $18.90 against $22.60 a year ago. Net asset value at Feb. 28, 1941, amounted to $18.72.



The Bank of Montreal has made its important contribution to the rise, development and continuous operation of public utilities in Canada. And tens of thousands of their workers enjoy the safety and convenience of our banking services.

Serving Canadians and their industries in every section of the community, we invite you to discuss YOUR banking requirements with us.

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FOR SALE BY TENDER

2 LARGE BARGES and a TUG BOAT

Under and by virtue of the powers contained in an agreement accompanying Statutory Mortgages duly recorded in accordance with The Canada Shipping Act sealed tenders endorsed "TENDERS FOR BOATS" will be received by the undersigned at its office in the Security Building, Windsor, Ontario, up to 12 o'clock noon of Wednesday, the 30th day of April, 1941, for the purchase of ALL or ANY of the ships said to comprise the following:

(1) TOW BARGE "Great Western"—length 220 feet, beam 42 feet, sturdy iron hull with equipment.

(2) TOW BARGE "Rose Burgess" — length 165 feet, beam 41 feet, steel hull with equipment.

(3) TUG "Jean Fraser"—length 75 feet, beam 22 feet, composite steel and wood hull with equipment.

Further particulars may be had on application at the office of the undersigned Trustee, Inspection invited.

A certified cheque for 10% of the amount of each Tender must accompany same, which will be refunded if Tender not accepted. Each Tender must set out in detail the proposed terms of purchase including terms of payment. The highest or any Tender will not necessarily be accepted.

DATED at Windsor, Ontario, this 15th day of March, A.D. 1941.

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Canada hits her Stride!

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Yours is the duty of providing the dollars so vital to Canada's war needs. Yours is the duty to save. Invest in war savings certificates regularly. Build up your savings account. Save for victory.

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Simpson's

BUDGET CLUB PLAN AVAILABLE
—The Store for Men—
Second Floor

The Talk About Convoys

Arithmetic Shows Shipping Crisis Will Hit by Summer

By GORDON L. SMITH
Staff Writer, The Financial Post

Before midsummer the problem of convoying ships across the Atlantic will have reached a crisis. This explains the flood of convoy talk from Washington, the mounting interest of the American government.

The whole problem is mathematically simple. To keep vital war supplies flowing across the Atlantic to Great Britain itself and the other war fronts in the Balkans and North Africa, expert opinion says that 18 million tons of shipping is an absolute minimum. For any large-scale offensive a very great deal more would be required.

At present, official figures place tonnage at the disposal of Great Britain at not much more than 19 millions. This might be barely sufficient if no more ships were sunk. But sinkings have been increasing sharply, almost half a million tons in March alone and the Nazi sea offensive still gaining.

This Year Critical

In the next 12 months it is possible that another 5 million tons may be sent to the bottom. This would be dangerous if not disastrous, as from British, American, Canadian and other friendly shipyards in the next year, plus the complete acquisition of Axis ships in American ports, not much more than 2 million tons is expected. This would leave a net loss to British shipping of 3 million tons, bringing the present total down to 16 million, or over 10% below what authorities believe is the bare subsistence margin.

The Arithmetic of Shipping Situation

To Hold Atlantic Lifeline Britain Needs 18 Million Tons

	Tonnage
Britain started war with	20,000,000
Added through Allies and new building 1939-40	7,000,000
	27,000,000
Losses to date	5,000,000
	22,000,000
Damaged and under repair	3,000,000
Estimated afloat now..	19,000,000
At present rate of sinkings may lose in next 12 months	5,000,000
	14,000,000
Axis and other ships available in U. S. ...	300,000
New construction U. K., U. S., Canada, Australia, etc., available to Britain this year ..	2,000,000
Total shipping available to Britain at end of 1941	16,300,000

A year from now the story will be different because American yards are then expected to be turning out shipping at the rate of 5 million tons a year. There will also be a substantial trickle from Canada and Australia. But all these potential ships next year will not help the crucial situation this summer. That can be remedied in only one way. Some method must be found of reducing losses of existing ships.

Shorten Lifeline

One plan now under serious consideration at Washington would shorten by two thirds Britain's 3,000 mile lifeline across the North Atlantic. The United States would assume full protection of shipping as far as Iceland, leaving the hard-pressed British Navy to guard only the 900 miles remaining stretch to England.

Now American-made guns, shells, planes and other weapons of war will be carried in American ships, presumably under American protection across the South Atlantic, around the tip of Africa and up into the Red Sea. From this point British ships will take over for the relatively short haul to the battle fields in Libya or Greece.

New Interpretation

The northern route will probably be based on a new interpretation of the limits of the Western Hemisphere. High officials at Washington have defined the western limits as a line running midway between Africa and South America. Carried northward this line would pass within a short distance of Iceland. The United States, Washington opinion declares, intends to protect commerce up to such a line.

This would add a few hundred miles to the regular northern shipping route to Britain. Instead of travelling the Great Circle, ships would move slightly farther north touching or nearing the new American bases to be established in Greenland, then going east to Iceland, where bases have already been developed by the British. Overhead and useful in spotting subs or raiders would be a constant stream of American planes for Britain. With landing fields at Newfoundland, Greenland and Iceland even the shortest range fighter could and probably will fly across.

Such a far north route, of course, would only be practical in the open months, but it is then that the greatest sub sinkings occur. Winter storms force submersibles to keep close to their bases.

Leave British Short Haul

The real objective of the coming American move, of course, is to relieve Britain of the staggering load of a 3,000 mile North Atlantic convoy. With American naval patrols extended to Iceland or American convoys that far, Britain would then only have to look after the waters of the north of the United Kingdom. It is in the latter, of course, that 90% of the war sinkings have occurred, but on the not remote chance of long distance subs or surface raiders attacking much farther west, the present British convoy system has had to be extended right across the Atlantic.

This great length, of course, has constituted its greatest weakness. There have not been sufficient patrolling naval craft to do the job properly. Gaps between destroyers have been wide enough for subs to slip in and there have not been enough bigger warships to protect convoys against far ranging surface raiders. The result has been a mounting toll of vital shipping each month.

There is ample indication that the United States does not propose to sit back idly and watch more ships go down. These vessels are now carrying American goods made for the specific purpose of aiding Britain. These goods are only useful if delivered intact and in volume.

Continuous Patrol

Another ship saving plan put forward in America would involve complete revision of the present system of convoy. Under it a continuous naval patrol would be maintained across the Atlantic via Greenland and Iceland. The fighting craft would aim at keeping a path clear of subs and surface raiders. Along this a steady stream of freighters would move to and from Great Britain.

Such a plan, of course, would require the use of a great number of naval vessels. It would only be possible through the co-operative use of the American and British Navies. However until actual war between Germany and United States breaks out it is proposed that the United States look after the U. S.-Iceland end of the patrol only.

Chief advantage of such a system over the present convoy method would be much greater utilization of present shipping. Instead of assembling and proceeding across the Atlantic in a body, each ship would sail as soon as loaded or unloaded. This would end long waits in assembling of convoy. Of equal importance each vessel would move at its full speed. In contrast, speed of present convoys, is limited to the best pace of its slowest member. This extra speed plus the elimination of waits for convoy assembly, would, it is estimated, add probably 25% to the efficiency of present tonnage available. It might permit the start of real offensive operations this year.

Offensive Means Ships

Offensive operations, where they involve the moving of troops and supplies any considerable distance, require an immense amount of shipping. The average person has little conception of the baggage of a modern army. Shells for field and anti-aircraft guns alone run into stupendous tonnage figures, fuel for transports requires whole fleets of tankers. Some five million tons of shipping were needed to launch and maintain the African campaign of General Wavell, Paul A. Tierney, war editor of the New York Post, was told by high sources in Britain recently.

To move a single division of troops with their original equipment of guns, transport, etc. requires 100,000 tons of shipping.

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HERBERT D. BURNS

The New General Manager Of The Bank of Nova Scotia

By KENNETH R. WILSON
Staff Writer, The Financial Post

Exactly 45 years ago last Friday an eager, bright-eyed lad of 17 started his first day's work as a junior clerk in the Bank of Nova Scotia at Moncton, New Brunswick.

That was 1896. Jobs were pretty scarce. Banking was as desirable and almost as exclusive as a profession. Applicants submitted to competitive examinations in geography, history, arithmetic and grammar. Of four Moncton lads who coveted a job with the bank, Bert Burns was the only one accepted. At that, he had to wait six months before his application was approved.

Today Herbert D. Burns is general manager of this historic and prosperous institution. He is a worthy successor to his seven predecessors in office. In 109 years the bank has had but eight general managers. Most of them, like Mr. Burns, have been Maritimers—men with early training in the rich tradition of Maritime banking—training followed (as in the case of Mr. Burns) by invaluable experience in the expansive Canadian west, prior to settling down to head office responsibility in Ontario.

Going Strong at 28

Six years of Mr. Burns' first decade of banking were in the Maritimes—Moncton, Kentville, Woodstock. In between there came an important assignment in Boston where he served under the late Sir William Stavert and J. A. McLeod, also a two-year sojourn as accountant in Montreal. At 28 he went to the very important managership of the bank's Vancouver branch. He remained there for nine years until his appointment as Superintendent of Western Branches, with headquarters at Toronto, in 1915. After a year in this responsibility he was promoted to the managership of the Toronto branch of the bank. This lasted seven years and in 1923 he was appointed assistant general manager,

He now succeeds Harry F. Patterson, who upon his return from an extended leave for reasons of ill-health has relinquished the general managership. Mr. Patterson becomes the bank's executive vice-president. Edwin Crockett succeeds Mr. Burns as senior assistant general manager.

Do Small Things Well

Mr. Burns has a very simple philosophy of what constitutes successful banking. He believes a good banker "should do small things well." He believes that if this rule is followed the bigger things will take care of themselves.

The banker's job, thinks Mr. Burns, is as much a job of human relationships as it is a matter of ledger sheets and quarterly balances.

"Goodwill, friendliness and attention to 'little things' are just as important in banking as in running a corner grocery store," he told me recently. "Never high-hat the young man (or woman) who wants to make a $100 loan. Some of the best friends and customers this bank has today are people who borrowed their first dollar from a friendly, sympathetic Bank of Nova Scotia manager.

"I know bankers are sometimes accused of not giving leadership in public affairs. This is because a cardinal principal of banking is to keep 'out of the news.' My own belief is that bankers can render their best services to the community and the country by humanizing their day-to-day business relationships; by being considerate and helpful; by exercising sound commonsense in their financial trusteeship. If we do this job well, others can do the talking.

"It is when bankers become austere that we lose touch with the public and people lose confidence in us. I don't believe there are any stern, 'superior' managers in this institution.

"Of course as good bankers we have to have the last word. I remember a bank manager in Moncton who turned down a loan for $250. The customer was astounded. He told the manager 'that loan has been kept alive in this city for 20 years.'"

Loves the Classics

Mr. Burns finds time for a number of interests outside his business. He has just done a magnificent job in raising over $1 million in Toronto as Chairman of the War Services Fund drive. He is also a vice-president and director of the Crown Life Insurance Co.

He finds relaxation and "refuge" in the English classics. Thackeray, Macaulay, Dickens are "guides and comforters." The reading and rereading brings him enjoyment and perspective. He finds them a continuing education in good English and vocabulary.

Maritime Vacation

In 25 years Mr. Burns has not missed a vacation in his beloved Maritimes. Until the death of two of his boys he took his family religiously each summer to Smith's Cove, N.S. Since 1937 they have holidayed each year at "Pansy Patch," one of the most picturesque summer estates in the Maritimes. Pansy Patch boasts a thatched roof and a fragrant old-world atmosphere.

Herbert Burns was born in Digby, Nova Scotia. Shortly afterward his father moved to Moncton and became auditor of disbursements for the Intercolonial Railway. His wife came from New Brunswick—the daughter of Thomas Williams, for many years treasurer of the Intercolonial. Their son, Charles, heads a brokerage firm in Toronto and is also a Governor of the University of Toronto. Their only daughter is married to Bruce Eaton, Jr., a brilliant young airplane engineer now making an important career with the Curtiss-Wright organization at Buffalo.

Popular With Staff

Like most bankers, Mr. Burns is modest about his own achievements. He asked that anything that be written about him should follow the prescription of the school boy who was going to have a caning. The boy asked his master to make the chastisement "like Italian penmanship—heavy on the upstroke and light on the down."

The highest praise of Mr. Burns' character and ability comes from his own staff. Said one member of the organization, "There isn't one man in the bank who doesn't look up to him. We all love and respect him."

Mr. Burns calls most of the staff by their first names. This applies also to scores of friends in all parts of Canada and the United States with whom he keeps in intimate contact through his travels and correspondence. He has an extraordinary retentive memory. Few men are as friendly or as anxious to make friends as H. D. Burns.

The "D" in his name stands for Deschamps. It used to embarrass him as a schoolboy. Now he takes pride in the fact that the name comes from a relative, Judge Deschamps, a Huguenot who was at one time impeached with Haliburton (Sam Slick) but acquitted. The Burns are of United Empire Loyalist stock.

Imperial Oil Paying Bonus

All full time employees of Imperial Oil Ltd. and its subsidiaries in Canada are receiving a cost-of-living bonus effective Mar. 1, 1941. The bonus is payable without regard to basic salary or wage rates. For salaried employees it amounts to $2.40 a week and for wage earners it is six cents an hour for regular working hours.

Amount involved in this bonus payment for Imperial Oil workers is approximately $1 million per annum.

Keeping Posted . .

By JOHN C. KIRKWOOD

Modern houses suffer from too many glossy surfaces, and modern families suffer from eyestrain caused by reflected light. Such is the opinion of the editor of Canadian Homes and Gardens, and he adds that a goodly number of housekeepers, especially the younger ones, would welcome dining tables with completely heatproof tops. "Aren't we getting tired of tippy plates on asbestos mats?" he asks; "and don't we envy the slick, streamlined restaurants their tables and counters that keep a smooth, attractive finish through terrific wear-and-tear, and need only the flick of a damp cloth." Another suggestion is "plenty of white" in home decoration. "White sharpens every tone and shade put with it—makes the contrast sing. The white areas must be washable, or easily renewable."

• • •

Truck Teletype

The inter-city trucking business of Toronto-St. Catharines Transport with offices in Toronto, Hamilton, St. Catharines, Niagara Falls and Buffalo has installed teletype equipment—the first application of this sort of apparatus to the highway business in Canada. G. M. Parke, general freight agent, says: "This service has enabled us to exercise a keener and a better control of our equipment, dispatching and sales efforts. Each of our five offices says that it is able to trace shipments and get information faster and better than ever before. Our inter-office correspondence has been decreased 70%." The story is given in the April issue of Bus and Truck Transport in Canada.

• • •

Paint Economics

In most lines of business there are more firms and companies than needed to supply the nation's requirements. Thus, it is said that we have in Canada two or three shoe manufacturers able, so far as plant capacity is concerned, to make all the shoes bought annually by consumers. We have in Canada over 200 leather footwear makers. In regard to paint industry there has been an addition of 20 manufacturers since 1932, making competition much keener. In the past 20 years the number of paint manufacturers has increased 86%—from 49 to 91. Business volume has increased 47% in the same period. In 1940 sales aggregated $25.5 millions. From an investigation by Hardware and Metal it is learned that 83.3% of retail paint and varnish sales are in first-grade lines that the great majority of hardware dealers carry the brands of only one or two manufacturers; that the average dealer turns over his stock of paints and varnishes three times yearly; and that the public believes that "cheap paint is the most expensive."

• • •

Scoop Series

Practically every story on the Dionne Quints is sent out to the world through the North Bay Nugget. It was this newspaper which sent out the first story of the birth of the five babies, so "scooping the world on one of the biggest human interests stories of all time," to quote Canadian Printer and Publisher.

JOHN C. KIRKWOOD

The North Bay Nugget has just become a daily—after several years of tri-weekly issues. The owner of this vigorous newspaper is W. E. Mason, also the publisher of the Sudbury Daily Star and the owner of radio station CKSO.

• • •

Cat and Dog Sedative

British manufacturers of cosmetics, toilet goods and drug sundries have watched their business shrink sadly—as much as 75%. In order to survive they have turned their attention to export business, and have the blessing of the British Government. Yet the home market requires many new things, accessories for air raid shelters—cushions, chairs, thermos flasks, blankets.

A maker of dog condition powder has introduced a range of fit and hysteria powders recommended as a sedative for cats and dogs in air raids. Another has made a rubber mouthgag for clenching between the teeth to prevent shock from blasts. Another is making "liquid stockings"—a special make-up which when applied to the legs gives the appearance of stockings.

A MESSAGE TO FATHERS OF MINOR CHILDREN

• A trust offers valuable protection to your children and your estate. It makes the appointment of a guardian unnecessary and avoids the heavy expense incident thereto. It also enables you to provide for the continuance of our management for your estate beyond your children's twenty-first birthday until, in your judgment, payment of principal should be made to them.

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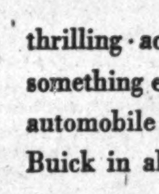

WHAT you see here is something more than the very picture of bright and thrilling action and trim fresh styling. It is something even more than the most talked-about automobile in Canada—it is the most outstanding Buick in all our long history.

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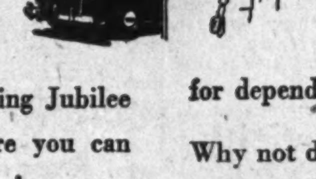

There's so much good news about Buick's exclusive features and matchless values that we're staging a Spring Jubilee in all Buick showrooms *now!* Here you can admire, sit in, and probe into the year's unquestioned Biggest Hit.

Here you'll see the very newest Buicks, the new SPECIALS mounted on a 118" wheelbase. They're more compact in size—more thrilling to handle—*yet lower in price.*

Here you can try out the life and ginger of Buick's new FIREBALL Straight Eight Engine. Here you can get all the facts about Compound Carburetion and how it ups mileage as much as 10% to 15%. A worth-while saving.

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Investment Trends

New Agreement Eases Requisition Fears

Any Move to Solve Canada's Problem of U. S. Dollars Watched Hopefully By Investors — Market Indices Approach Lows of Last June

The new extension of collaboration between Canada and the United States is the most significant news for Canadian investors. Lacking complete details as yet, it is difficult to appraise what increased buying by the United States in Canada might mean in particular cases but some possible lines of reasoning are developing.

The agreement probably makes less likely the chance of Canada's dependence on U. S. lease-lend aid this year. For investors directly, it probably means substantially less likelihood of forced liquidation of Canadian holdings of U.S. securities. The only motive for such liquidation would be a compelling need for U.S. dollars to pay for war materials bought in that country. If Canada is able to sell between $200 and $300 millions of extra goods to the U.S., as preliminary estimates hint may be involved in the deal, it could ease our exchange crisis to such a degree that Canada may be able to leave undisturbed our investments in the United States.

This forecast is only a guess as yet and outside of this it is difficult to go with any degree of assurance. More will likely be heard in Parliament and this development is one to watch for its possible effect on many Canadian companies.

* * *

A Testing Point

Stock markets everywhere have continued weak. Nothing approaching a panic is in evidence; rather it is a drifting lower accompanied by diminished volume of sales. A year ago when the severe drop of May-June hit stock markets, activity jumped away above levels prevailing before. This time, although most indices are approaching the bottoms hit in 1940, volume of trading has been much less. As one commentator put it, "the continued slow turnover throughout the decline smacks more of tired, disillusioned selling than of broad, convulsive liquidation."

Followers of stock market indices are generally agreed that, when the Toronto Stock Exchange's industrial index, the corresponding index in Montreal and the Dow-Jones industrial index broke below the low points of last February, the next critical levels to watch are the lows of last year.

These are 56.0 for the Montreal index, 86.00 for the Toronto and 111.84 for the Dow-Jones industrial index. At the close on April 21, the Montreal index was about half a point below this support level, the Toronto index approximately three points above it and the Dow-Jones index about 4¼ points above.

* * *

Two Major Factors

A number of experienced students of stock markets look on any decline approaching the lows of last May and June as offering attractive buying opportunities. They acknowledge the risks of making predictions when so unpredictable a factor as war plays such a large part in determining direction of stock market moves. Others, of course, are even less optimistic although so far as we have been able to discover the latter are in the minority.

Apparently two major considerations persuade the more hopeful ones that their stand is the best. First of these is faith in eventual defeat of Germany, even if it involves participation by the United States to bring it about. They admit that investor psychology is going to get some severe shocks because of day-to-day news but apparently regard setbacks as inevitable. The important thing, they say, is to keep one's mind directed toward eventual victory.

This group contends that, sooner or later, stock markets are bound to pay more attention to boom-time business levels. They know that taxes and wartime restrictions must interfere with the ordinary course of earnings but hold that there will still be left a margin justifying considerably higher stock prices even in wartime.

* * *

Merger Reports Persist

Although denied officially reports persist that one move being studied in New York to place the stock business on a better basis is a merger of the New York Stock and the New York Curb Exchange. These reports indicate that the management engineering firm of Stevenson, Jordan and Harrison has drawn up a tentative plan. So far, it is said, there is no official status to this proposal but it is known that much study is being given to plans to reorganize stock exchange operations.

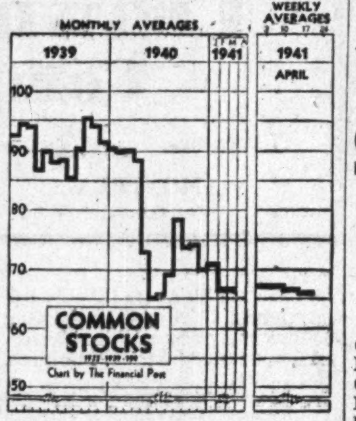
Many problems suggest themselves at once, one of which is what would be the basis of any merger between the two exchanges. It is said that the plan being considered would transfer the Curb Exchange trading to the floor of the Stock Exchange and that savings up to $1 million annually could be worked out. Most of this saving would accrue to member firms. The merger idea seems to be only one of many being explored in an effort to improve the position of the exchanges and their members.

Talk of a merger of the two New York exchanges recalls the similar move started in Toronto between the Toronto Stock Exchange and the Standard Stock and Mining Exchange in 1934. It was not until 1937, however, that these two exchanges moved into a single building when they opened what is still the most modern stock exchange building in the world.

Elect New Director To Montreal Cottons

From Our Own Correspondent

MONTREAL. — Charles Laurendeau, K.C., has been elected to the board of directors of Montreal Cottons Ltd., Valleyfield, P.Q., to replace Hon. Senator Raoul Dandurand, who resigned from the board after more than 30 years' service.



Market Opinions

Discouraging as the downward drift of stock prices has been, some comment continues to suggest attractive buying opportunities.

Barron's, N. Y. (The Trader)—Judging by the volume of transactions, the vast body of security owners are not attempting to force liquidation upon a stock market where unparalleled, potential buying power is still paralyzed by fear. The disposition is to see the situation through. While industrials as a whole have been working slowly down to the lowest level of the year, the substantial readjustments have been confined chiefly to the motors, steels and utilities and for obvious reasons rails, oils and even tax-vulnerable chemicals have been quite steady. The picture is not that of formidable liquidation, but of a condition justifying the leisurely acquisition of sound equities regardless of how long delayed may be a turn for the better.

* * *

Barron's, N.Y. (The Dow Theorist).—Even though the rails are still above the February low, it can be stated now that the market is undergoing a thorough test of the bottoms of May and June last year. Two conclusions can be drawn from this. One is that if one or both averages should now hold above the 1940 lows and then both rise through the highs of last November, it would be the most unequivocal bull market signal since the one of June, 1933, which ultimately was followed by a rise culminating 115 points higher four years later. The other conclusion is that if the averages break through the last year's lows, they will extend the bear market which under the Dow theory has been in progress since Sept., 1939.

* * *

Brookmire Counselor, N.Y.—The inherent strength of our underlying economic situation, reinforced by the extensive defense programme, is being kept in the background by the sight of British reversals. Such a period is a test of the investor's patience; and it helps to avoid succumbing to defeatism when due consideration is given to the existing expansive and inflationary factors that should eventually assert their potency. A watchful policy regarding further shocks from overseas remains necessary; but the basic expansion, with its inflationary background, gives sound reason for holding properly-balanced stock portfolios.

* * *

Magazine of Wall Street, N.Y.—Further downward drift appears likely over coming weeks and we would favor partial investment buying only in the improbable event that the early future produces a very sharp break and an over-sold condition.

* * *

Financial World, N.Y.—Under the circumstances, concentration of the individual's invested funds in good income bearing stocks, rather than more speculative issues, appears the prudent policy—particularly as increased dividend rates will furnish some of the additional funds needed to meet the higher taxes that will have to be paid on 1941 incomes. Later on there may develop more promising opportunities for commitments in the purely business cycle equities, and reserve buying power should be maintained against that eventuality.

Celanese Activity At New Peak

From Our Own Correspondent

MONTREAL.—Sales of Canadian Celanese Ltd. are at record levels and manufacturing facilities are being utilized to the limit, Dr. Camille Dreyfus, president, stated at the annual meeting.

In the first quarter this year net profit, after providing estimated income and "excess" profits taxes, equalled 68 cents a common share. Provision for income and profits taxes equalled $1.25 on the common.

In the first quarter of 1940 net profit was equivalent to $1.34 on the common. In that period taxation costs were substantially less than in the current year. W. M. Cameron, vice-president, stated employee relations were good.

CANADA PACKERS HEAD HONORED

Celebrating his 40th anniversary with the firm, J. Stanley McLean, president of Canada Packers Limited, was presented with this portrait by employees. The presentation was made on their behalf by George Ayers, employees' representative on the board of directors. The artist, Wyndham Lewis, here stands beside the finished portrait.

Victory Loan Shapes Up

"Special Names" List Extended to $25,000 Buyers

"Special Names" are receiving even more attention in the Victory Loan scheme than in the first two Canadian War Loans. In the Victory Loan you are a "special name" if you have bought, or are regarded as being capable of buying, bonds to the value of $25,000 or more.

To get the list of special names, Victory Loan organizers have pooled lists of wealthier clients held by investment dealers and brokers throughout Canada. The names on these lists have been catalogued according to district and sent to the district organizers. Added to from local information and from credit ratings, etc., the special names lists will be segregated when canvassing begins, approached by key men of the local organizations.

Since no commission is involved, the "special name" buyer in the Victory Loan will not feel obliged to split his order among a number of War Loan agents as was the case in the first two loans. Situations where one large buyer would be besieged by agents, while another would be passed over are not likely to arise

Organizers Paid Salaries

According to present information Victory Loan organizers will be paid by their firms at present salaries during the campaign, additional expenses being met by the Government. The employing firms will later be remunerated for salaries paid to Victory Loan workers and probably will be compensated for their services as a firm on the basis of the number of employees furnished for the campaign. Amount of this compensation has not been announced, but is expected to recognize the fact that leading investment dealers will have devoted three months and more to the campaign and will have stripped their organizations of efficient members for periods of at least two months.

Issue of bearer bonds rather than interim certificates now appears assured and it is reported that these may be delivered to early subscribers before June 24, now planned as the final day of the campaign. The bonds are now being printed, but details of coupon, maturity, etc., are not being filled in at present.

Investment Notes

Canadian Oil—Sales for the first three months of 1941 "are sharply higher," according to John Irwin, president. This year the company will receive full benefit from heavy expenditures on its refinery for the first time.

* * *

Pressed Metals of America—Operations of this company, in which there is an important Canadian interest, will feel the effect of the 20% curtailment of automobile output in the United States for the model year beginning Aug. 31, next. With a 4 million unit output quota permitted, however, the motor car industry in the U. S. would still have a better than average year. Elimination of 1943 models should not in itself hit this company provided volume is maintained. There is always the probability, of course, that U. S. defense work will offset any possible cut in demand from the motor car industry.

ELECTED CURB MEMBER

From Our Own Correspondent

MONTREAL.—Henry L. Heming of New York City, partner of L. F. Rothschild and Co., has been elected a member of the Montreal Curb Market.

Stelco Output At New Peak

Ingot Production Is 60% Above Highest Pre-War Level

From Our Own Correspondent

MONTREAL.—Basic operations of Steel Co. of Canada continue at full capacity.

Ingot production is now at an annual rate approximately 60% above the prewar peak, Ross H. McMaster, president, told the annual meeting of shareholders. Estimated ingot output this year, he added, would likely reach a tonnage ten times volume in the first full year of the company's operation 30 years ago.

In a survey of the company's current position, Mr. McMaster said the tonnage of unfilled orders is unusually high. For some time past steel orders for future delivery have been accepted subject to whatever prices may prevail at time of shipment.

New Equipment Ready

The tinplate dipping plant has been in steady operation since last August and is at full capacity.

The new 110-in. plate mill, with a capacity of 180,000 tons of plates per annum, started operation the first of this month.

Construction of the new blast furnace and the additional 150-ton open hearth furnace is proceeding steadily. It is hoped these units will be in production by July.

In spite of steadily advancing costs the prices of heavy steel products have been maintained at prewar figures. Mr. McMaster said:

"We subscribe heartily to the wartime policy of price control as the best means of avoiding inflationary effects. If such a policy is to be successful, it should have universal application and adoption. It is to be hoped, therefore, that similar measures of control may be possible in connection with items affecting steel costs to avoid placing the entire burden of price control on the steel producer. The skilful handling of such economic problems is a matter of the utmost importance to the war effort."

Nfld. Revenues Move Upward

Revenue of the Newfoundland Commission of Government in the first nine months of the fiscal year ending June 30 amounted to $10.5 millions, an increase of $1.2 million over the corresponding period of the previous year.

Expenditure for this period of $10.2 millions showed a decrease of $119,652 over the same period last year.

In March revenue totalled $1.3 millions, an increase of $353,817 over March, 1940, while expenditure decreased by $88,126 to $901,295.

Revenue and Expenditure
March

Revenue:	1941 $	1940 $
Customs	961,670	620,668
Posts & telegraphs	61,531	46,776
Assessor of taxes	265,004	269,248
Natural resources	18,484	8,512
Other	75,385	83,053
	1,382,074	1,028,257
Expenditure:		
General	896,672	894,746
Debt charges	4,623	4,675
	901,295	989,421

Nine Months Ended March 31*

Revenue:	1941 $	1940 $
Customs	8,075,379	6,623,520
Posts & telegraphs	606,031	544,941
Assessor of taxes	837,709	927,063
Natural resources	170,388	178,489
Other	778,251	642,198
	10,467,758	8,916,211
Expenditure:		
General	8,735,632	9,914,248
Debt charges	1,431,079	1,372,115
	10,166,711	11,286,363

*July-March figures adjusted to include receipts and payments in London.

Significant Investors' Index Numbers

(Base 1935-39=100)

No. of Securities	Mach. and equip. 8	Pulp and paper 7	Milling 3	Oils 4	Textiles and clothing 10	Food and allied prod. 12	Beverages 7	Bldg. mater. 15	Power and traction 15	Banks 8	Total utilities 19	Total co's. 95
1929-40:*												
High	345.7	564.5	322.3	212.5	168.2	123.2	163.1	202.1	297.5	160.9	329.3	180.7
Low	68.5	49.8	63.6	46.5	76.0	76.9	67.0	71.2	68.2	84.6	68.4	[illegible]
1941:												
Monthly Figures:												
Jan.	77.6	74.1	72.3	51.6	110.6	96.8	104.3	84.0	75.4	94.7	77.3	71.3
Feb.	72.9	63.8	69.5	48.7	105.0	90.1	96.6	77.3	68.8	90.9	71.3	66.5
Mar.	73.6	65.4	69.5	49.5	103.1	87.9	93.7	78.5	67.0	89.9	70.7	66.8
Weekly Figures:												
Apr. 3	74.6	64.8	70.4	49.8	103.0	87.7	91.9	30.3	65.7	89.6	71.1	67.3
Apr. 10	73.7	64.8	68.3	50.2	102.3	88.2	89.5	78.4	62.0	89.3	68.1	66.5
Apr. 17	73.1	61.3	69.6	49.4	100.8	88.2	88.9	77.7	61.4	89.5	66.9	65.2
Mo. ago	74.0	68.3	69.2	49.9	102.5	88.1	93.8	79.6	67.6	89.7	71.2	67.2
Yr. ago	104.1	122.0	112.8	74.7	135.7	113.4	108.6	105.1	93.6	101.4	93.2	88.0

*High and low for year from 1929 to 1940 inclusive are based on weekly figures compiled from figures issued by Dominion Bureau of Statistics.

Toronto Stock Exchange Index

	20 Indust.	20 Golds	10 B.M.	15 W.O.
Apr. 22	90.18	96.59	62.24	18.02
Apr. 21	89.27	98.46	62.23	17.82
Apr. 19	89.08	98.41	62.38	17.93
Apr. 18	89.24	98.43	62.35	18.01
Apr. 17	89.52	98.53	62.49	18.01
Apr. 16	89.48	97.81	62.10	17.98
Month ago	94.53	101.86	63.76	19.25
Year ago	122.15	109.76	79.48	30.06
High 1941	103.48	109.76	69.33	21.62
Low 1941	89.03	97.36	62.10	17.81

Montreal Stock Exchange Averages

	10 Util.	20 Ind.	30 Chd.	10 Pprs.	15 Golds
Apr. 22	45.3	55.7	52.2	62.06	74.91
Apr. 21	45.2	55.7	52.2	61.92	74.97
Apr. 19	45.3	55.6	52.2	63.06	75.16
Apr. 18	44.6	56.0	52.2	63.60	75.58
Apr. 17	45.1	56.2	52.5	63.83	75.58
Apr. 16	45.0	55.8	52.2	64.11	75.70
Month ago	48.9	57.9	54.9	68.10	76.18
Year ago	66.3	86.7	79.9	149.62	85.64
High 1941	54.3	66.4	62.3	82.25	79.90
Low 1941	44.6	55.1	52.0	61.02	74.97

Company Reports

Great Lakes Paper

Great Lakes Paper Co. reports a gain of about $800,000 in net operating profit for 1940 over 1939. After all charges, net profit of $318,275 for last year is equivalent to $1.59 a share on the combined classes A and B preferred shares compared with $1.18 a share for the previous year.

In 1940 the company set aside a special inventory reserve of $100,000, a contingency reserve of the same amount and $400,000 for taxes. The latter item compares with $64,000 in 1939. W. Earl Rowe, president, states the board is unable to determine accurately the company's tax liability but believes the reserve provided will be adequate.

Dividends paid on the two classes of preference shares for 1940 totalled $1.25 a share. As these are entitled to an annual cumulative $2 rate, arrears had risen to $8.25 a share at the year end. The company is now paying at the full $2 annual rate.

Working capital is up about $500,000 with the major portion of the improvement being shown in the gains in cash and the appearance of $375,000 par value of 3% second war loan bonds.

Income and Surplus Account
Years Ended Dec. 31

	1940 $	1939 $
Net oper. profit	1,804,557	1,053,942
Less: Bond interest	300,000	303,485
Depreciation	561,282	449,521
Bad debt prov.	25,000	......
Spec. inventory res.	100,000	......
Contingency prov.	100,000	......
Income & E. P. tax	400,000	64,000
Net profit	318,275	236,936
Less: Pref. divds.	250,000	200,000
Surplus for year	68,275	36,936
Add: Prev. surplus	346,547	309,611
Invent. & other adj.	120,486	......
Trans. from reserve	......	258,002
Less: Addit. deprec.	......	258,002
Surplus forward	535,308	346,547
Earned per Share:		
Classes A & B pref.	$1.59	$1.18
Paid	1.25	1.00
Shares O/s.:		
Class A pref., n.p.v.	100,000	100,000
Class B pref., n.p.v.	100,000	100,000
Common, n.p.v.	100,000	100,000

Working Capital

	$	$
Current assets	3,349,246	2,489,088
Current liabilities	801,114	528,224
Working capital	2,548,132	1,960,864

Balance Sheet Changes

	$	$
Cash	735,331	459,735
Dominion bonds	373,117	......
Inventories at cost:		
Wood	649,605	856,150
Pulp & paper	270,396	304,623
Stores & supplies	552,497	314,814
	1,472,498	1,475,587
Expend. & advs. woods opers.	261,015	116,827
Own bonds held	218,056	134,663

Seal-O-Sac (Canada) Ltd.

Operations of Seal-O-Sac (Canada) Ltd. for the year ended Dec. 31, 1940, were unsatisfactory from a profit standpoint, according to Ewart R. Angus, president, largely due to expenditures on development work at Uxbridge, Ont., where the plant opened for manufacturing paper containers under the Wentz patents was discontinued in favor of licensing other manufacturers to produce the containers.

During the last quarter of 1940, expenditures were reduced and operations are said to be on a basis which should bring net profits to the current fiscal year.

Income and Surplus Account
Years Ended Dec. 31

	1940 $	1939 $
Gross profit	8,457	14,865
Less: Office salaries	1,832	1,910
Exec. salaries	4,633	4,800
Patent expense	401	763
Other expenses	3,788	2,334
Oper. profit	*2,197	5,058
Add: Other income	349	920
Total income	*1,848	5,978
Less: Experim'tal exp.	747	1,206
Depreciation	1,523	1,739
Patent amortiz.	2,824	2,815
Net loss	6,942	†218
Previous deficit	860	1,078
Deficit forward	7,802	860

†Net profit. *Loss or deficit.

Working Capital

	$	$
Current assets	32,110	38,317
Current liabilities	13,943	7,775
Working capital	18,167	30,542

English Electric

English Electric Co. of Canada reports consolidated net profits for 1940 equivalent to $3.04 a share on its class A shares compared with $1.76 a share for 1939. These figures are stated without allowing for the provisions whereby the class B participates with the class A in earnings.

D. H. McDougall, president, states sales volume last year was 60% over that for 1939. Unfilled orders at Dec. 31, last, exceeded the same item a year earlier by 86%. Plant additions to take care of war orders are to be in operation shortly. Last year $24,000 was spent on additions to tools and equipment.

Balance sheet shows accounts receivable at $413,708 compared with $209,932 at the end of 1939. Inventories total $639,778 against $341,826. Investments having a market value of $296,812 and book value of $356,691 compare with market value of $389,625 and book value of $435,838 a year ago.

Consol. Income and Surplus Account
Years Ended Dec. 31

	1940 $	1939 $
Operating earnings	360,827	163,869
Add: Invest. income	14,702	20,629
Profit on secur.	......	2,043
Net earnings	375,529	186,541
Less: Legal fees	340	845
Directors' remuner.	2,160	2,240
Executive sals.	31,915	26,320
Equip. retired	11,415	2,100
Depreciation	75,000	60,000
Income & E. P. tax	125,000	20,000
Net profit	129,699	75,036
Less: Class A divds.	106,490	106,787
Surplus for year	23,209	*31,751
Add: Prev. surplus	123,498	155,249
Earned surplus fwd.	156,707	123,498

*Deficit.

Earned per Share:		
Class A	$3.04	$1.76
Paid	2.50	2.50
Shares O/s.:		
Class A, n.p.v.	42,596	42,956
Class B, n.p.v.	50,000	50,000

Working Capital

	$	$
Current assets	1,364,492	1,098,085
Current liabilities	311,230	103,603
Working capital	1,053,262	994,482

United Steel Corp.

United Steel Corp. reports net profits, including $538,736 received as a distribution from a subsidiary, of $575,409 for 1940. This is equivalent to $1.15 a share on the common after allowing for dividends on the class A preference. The annual report for 1940 is issued on a general basis and is not comparable with previous statements which were issued on a consolidated basis.

Last year was "one of increased volume of business and your corporation entered the year of 1941 with a substantial volume of business on hand, which will have its effect on earnings this current year," states T. J. Dillon, president. The company is engaged in direct and indirect war work and last year enlarged its plants at Welland and Toronto. Subsidiary companies also have a large backlog of orders on hand.

General balance sheet as at Dec. 31, last, shows bank overdrafts of $303,417. Cash amounts to $11,985. The Government owes the company $307,948 and inventories amounted to $784,991. Holdings of common shares of subsidiary companies are carried at $896,308. No funded debt is shown in the 1940 balance sheet but the company has sold $900,000 of 5% first mortgage bonds since the beginning of this year.

Income and Surplus Account
Year Ended Dec. 31

	1940 $
Operating profit	145,676
Add: Distrib. from subsid.	538,736
Total earnings	684,412
Less: Bond interest	8,940
Exec. & legal remuner.	9,932
Directors' fees	210
Tax provision	48,254
Depreciation	41,667
Net profit for year	575,409
Less: Class A divd.	33,890
Surplus for year	541,519
Add: Previous surplus	224,635
Less: Loss on invest.	207
Prem. & exch. on bds. retired	21,016
Legal exps. re bond w/o	3,000
Tax adjustments	480
Catalogues, research w/o	14,182
Earned surplus forward	727,569
Earned per Share:	
Class A preference	$25.28
Paid	1.50
Common	1.15
No dividends paid.	

Shares O/s.:	1940	1939
Class A pref., $25 par	22,758	22,429
Common, n.p.v.	468,904	465,611

Working Capital
Dec. 31, 1940

	$
Current assets	1,384,193
Current liabilities	909,751
Working capital	474,442

Saguenay Electric

Net operating revenue of Saguenay Electric Co., wholly owned subsidiary of Saguenay Power Co., totalled $417,709 in 1940, compared with $343,856 in the previous year.

Operating expenses and taxes amounted to $227,679 in 1940, compared with $181,772 in 1939. Net profit amounted to $13,281 against $1,232 in 1939.

Income and Deficit Account
Years Ended Dec. 31

	1940 $	1939 $
Net oper. revenue	417,709	343,856
Less: Oper. exps. & taxes	227,679	181,772
Net oper. profit	190,030	162,084
Add: Other inc.	5,862	3,351
Net earnings	195,892	165,435
Less: Bond int.	55,406	57,404
Other int., etc.	18,001	10,931
Depreciation	90,787	87,380
Bond disct. & exp.	7,182	6,787
Retire. annuities amort.	2,503	......
Inc. & profits tax	8,732	1,701
Net profit & surp. for year	13,281	1,232
Add: Prior adjusts.	6,974	15,451
Less: Prev. deficit	47,035	63,718
Deficit forward	26,780	47,035

Working Capital

	$	$
Current assets	140,686	121,478
Current liabilities	52,906	43,473
Working capital	87,780	78,005

Quebec Power

Quebec Power Co.'s income statement for first quarter in 1941 shows gross revenue at just under $1.3 million, an increase of $115,000 over the like period 1940. After provision for higher depreciation reserve, net profits subject to income and excess profits taxes, amounted to $291,883. This contrasts with $271,455 for first quarter in 1940.

Cons. Statement of Revenue and Expenses
Three Months Ended Mar. 31

	1941 $	1940 $
Gross revenue	1,282,315	1,167,366
Oper., taxes & other expenses	751,353	692,112
Net revenue	530,962	475,254
Less: Fixed charges	124,195	125,659
Depreciation	114,884	78,140
Net profit subject to inc. & E. P. taxes	291,883	271,455

Confed. Amusements

Confederation Amusements Ltd. reports total revenue of $508,612 in 1940, compared with $486,093 in the preceding year. Net profit totalled $35,362 against $48,606 in 1939.

The company operates or has an interest in five theatres in Montreal and one each in Outremont, Verdun and St. Johns, Que.

Income and Surplus Account
Years Ended Dec. 31

	1940 $	1939 $
Theatre revenue	486,687	472,153
Other income	16,612	13,940
	503,299	486,093
Less: Theatre exps.	246,379	242,032
Admin. exp.	29,381	26,534
Taxes & licenses	119,972	110,094
Depreciation	46,465	31,375
Interest, etc.	25,740	27,452
Net profit	35,362	48,606
Less: Pref. divds.	32,172	32,172
Surplus for year	3,190	16,434
Add: Prev. surplus	32,505	16,071
Less: Inc. tax adj.	1,515	......
Surplus forward	34,180	32,505

Working Capital

	$	$
Current assets	147,862	106,086
Current liabilities	32,299	19,457
Working capital	115,563	86,629

Canadian Oil Companies

Canadian Oil Companies, Ltd., reports higher net earnings for 1940 than in 1939 but heavier depreciation and taxes, as well as appearance of debenture interest, resulted in lower net profits. On the common stock the company earned $1.46 a share in 1940 compared with $2.03 in 1939. Dividends of $1 a share were paid for each year.

Balance sheet reflects important changes. The company sold $1¼ million of 4% debentures late in 1939 and another $250,000 in Nov., 1940, making funded debt $1.5 million now where none was outstanding formerly. Proceeds of these debentures enabled the company to complete improvements and alterations to its refinery at Petrolia, Ont., erect additional storage tanks and lay a new 17-mile pipe line from Petrolia to Froomfield, the company's water port on the St. Clair River. All of these improvements are now in operation. Refinery changes were delayed by non-delivery of equipment and are not reflected in 1940 operations.

Fixed assets are shown in the balance sheet as at Dec. 31, 1940, at $10.6 millions, compared with $10 millions a year ago and a bank loan of $295,000 has been repaid. Working capital is up about $1.2 million. Inventories at $2.1 millions are up $300,000, and receivables are $150,000 higher.

Department of Munitions and Supply has taken over the company's former property in Toronto and new premises have been secured.

Income and Surplus Account
Years Ended Dec. 31

	1940 $	1939 $
Net earnings	1,165,133	1,060,389
Less: Depreciation	565,490	491,090
Debenture interest	49,073	......
Inc. & E. P. taxes	180,000	117,000
Net profit	370,570	452,299
Less dividends:		
Preference	160,000	160,000
Common	143,764	143,764
Surplus for year	66,806	148,535
Add: Previous surplus	1,104,020	955,485
Less: Addit. taxes	2,138	......
Surplus forward	1,168,688	1,104,020
Earned per Share:		
Common	$1.46	$2.03
Paid	1.00	1.00
Shares O/s.:		
Preference, $100 par	20,000	20,000
Common, n.p.v.	143,764	143,764

Working Capital

	$	$
Current assets	3,328,179	2,918,078
Current liabilities	1,021,295	1,777,530
Working capital	2,306,884	1,140,548

Inter. Coal & Coke

International Coal & Coke Co., Coleman, Alta., experienced rising costs of production because of higher taxation and cost of mining supplies last year. As a result both operating and net profits were below the previous year. Net profit for 1940 was 3.3 cents a share compared with 4.8 cents the preceding year. Two dividends of 1½ cents each were again paid in 1940.

Lorne A. Campbell, president, expects costs will rise further in 1941 due to war conditions.

Income and Surplus Account
Years Ended Dec. 31

	1940 $	1939 $
Operating profit‡	202,132	237,629
Less: Deprec., plant & mach.	44,600	48,162
Depletion	38,070	35,355
Net oper. profit	119,462	154,112
Add: Inc. from invest.	28,761	26,579
Interest	569	707
Sale of townsite lots	1,120	324
	149,912	181,722
Less: Income taxes	51,858	37,803
Net profit	98,054	143,919
Less appropriations:		
Dividends	90,000	90,000
Surplus for year	8,054	53,919
Add: Prev. surplus	309,464	254,778
Equip. chgd. to oper.	......	900
Prof. on sale of invests.	4,728	......
Less: Inc. tax, pr. yrs.	......	133
Balance forward	322,246	309,464
‡Include the following charges:		
Directors' fees, etc.	3,959	3,591
Sal. exec. & legal fees	15,256	16,238
Earnings per Share:		
Earned	$0.033	$0.048
Paid	0.03	0.03
Shares O/s.: $1 par	3,000,000	3,000,000

Working Capital

	$	$
Current assets	869,415	827,318
Current liabilities	102,617	95,822
Working capital	766,798	731,496

Allens Kingston Theatre

Continued moderate improvement in earnings was shown by annual statement of Allens Kingston Theatre Ltd. for the 52-week period ended Dec. 28, 1940. The gain in operating earnings was erased by a rise of over 87% in income and excess profits taxes. Per share earnings after all charges amounted to $6.62 on the preferred compared with $7.60 in 1939. Dividends at the rate of 7¾% continue to be paid on the 8% preferred stock.

Income and Surplus Account
52 Weeks Period Ended

	Dec. 28, 1940 $	Dec. 30, 1939 $
Operating profit	22,186	21,785
Less: Depreciation	4,874	4,874
Income taxes	6,059	3,231
Net profit	11,253	12,923
Less: Pref. divds.	13,175	13,175
Deficit for year	1,922	252
Previous surplus	21,533	21,785
Surplus forward	19,611	21,533
Earnings per Share:		
Pref.: Earned	$6.62	$7.60
Paid	7.75	7.75

Working Capital

	$	$
Current assets	58,441	52,664
Current liabilities	6,354	3,528
Working capital	52,087	49,136

Paramount Kitchener

Operating income and net profits of Paramount Kitchener Theatres Ltd. both showed moderate improvement in the 52-week period ended Dec. 28, 1940 over the 1939 period. Income and excess profits taxes deducted in 1940 were more than double those for the previous year.

Earnings on the 7% preferred rose from $3.90 to $3.92, dividends being continued at $5 per share. Dividends on the preferred are paid up to July 13, 1930.

Income and Surplus Account
52 Weeks Period Ended

	Dec. 28, 1940 $	Dec. 30, 1939 $
Net income	13,238	11,413
Less: Depreciation	3,724	3,724
Income taxes	3,330	1,538
Net profit	6,184	6,151
Less: Pref. divds.	7,895	7,895
Deficit for year	1,711	1,744
Previous surplus	9,712	11,456
Surplus forward	8,001	9,712
Earnings per Share:		
Preferred: Earned	$3.92	$3.90
Paid	5.00	5.00

Working Capital

	$	$
Current assets	9,473	5,662
Current liabilities	3,512	1,714
Working capital	5,961	3,948

Strand Hamilton Theatre

Annual report of Strand Hamilton Theatre Ltd. for the 52-week period ended Dec. 28, 1940 shows moderate decline in net profits after increased taxes, increase in working capital.

Earnings on the 8% preferred stock amounted to $8.33 per share in 1940, $12.19 in 1939. Dividends of 12% were paid in each year leaving dividends paid in full to Jan. 31, 1934.

Income and Surplus Account
52 Weeks Period Ended

	Dec. 28, 1940 $	Dec. 30, 1939 $
Net revenue	13,161	15,025
Less: Depreciation	3,549	3,598
Income taxes	3,364	2,286
Net profit	6,248	9,141
Less: Pref. divds.	9,000	9,000
Surplus for year	*2,752	141
Add: Prev. surplus	39,747	39,606
Surplus forward	36,995	39,747

*Deficit.

Earnings per Share:		
Preferred: Earned	$8.33	$12.19
Paid	12.00	12.00

Working Capital

	$	$
Current assets	62,027	58,681
Current liabilities	5,012	2,751
Working capital	57,015	55,930

Shawinigan Net Rises Sharply

Up 25% in Three Months Before Income and Profits Tax

From Our Own Correspondent

MONTREAL.—Shawinigan Water & Power Co. reports gross revenue of $4.7 millions in the three months ended March 31, compared with $4 millions the same period of 1940.

Net profit, before income and "excess" profits taxes, was $1 million, an increase of $204,229, or 25% over the corresponding period of 1940.

General, operating and maintenance expenses increased from $859,118 to $928,551, while power purchased totalled $845,790, against $459,292 in the three months' period of 1940.

The company has declared a dividend of 22 cents a share on the common stock for the quarter ended March 31, payable May 26 to shareholders of record April 23.

Following are comparative earnings for the three months' period:

Revenue and Expenditure
Three Months Ended March 31

	1940 $	1939 $
Gross revenue	4,697,850	3,998,525
Less: Gen., oper. & admin. exp.	928,551	859,118
Power purchased	845,790	459,292
Water rentals	118,141	117,118
Taxes	272,007	274,275
Fixed charges	955,246	964,278
Exchange	65,495	65,955
Depreciation	500,000	450,000
Net profit*	1,012,620	808,391

*Before income and profits taxes.

UNITED CORPORATIONS

From Our Own Correspondent

MONTREAL. — United Corporations Ltd. has passed a special bylaw decreasing the number of directors from 10 to seven.

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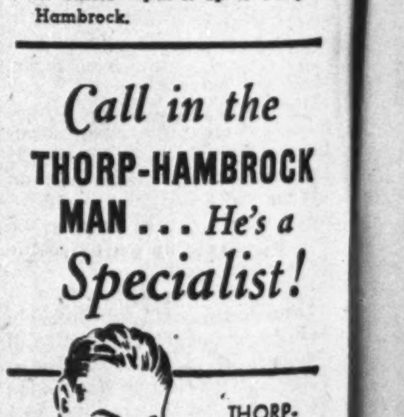

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Bond Markets

U.S. Deal Should Ease Exchange Strain

Freer Security Trade Hoped Outcome of New Lease-Lend Agreement — Not Looked For Until After Victory Loan

Expected improvement in Canada-U.S. exchange rates, basis for one of the few forms of speculation to develop in 1941 security markets, materialized at least partly from the King-Roosevelt lease-lend deal.

The deal has not yet gone far enough to confirm hopes of some market prophets who believed that the currencies would move to parity, and security transactions between the two countries would be freed. And the free rate on Canadian dollars in New York at 88½ cents is still below the peak of the 1940 tourist season, when it was quoted at around 89 cents.

Whatever may lie ahead in the way of freer movements of funds between Canada and the United States, there is a feeling that it would be unwise to remove restrictions or make substantial changes in the investment structure until after the Victory Loan. This view is strong among Victory Loan organizers, who naturally wish to see all investment uncertainties reduced to a minimum.

* * *

Aids U. S. Investor

A peculiarity of the present situation is that Canadian investors are in less favorable position to speculate on an improvement in Canadian dollar quotations than are investors in the United States. A Canadian owning U. S. securities can repatriate his funds at the official rate, but a speculator in the United States can get a better discount by purchasing Canadian stocks listed in the U. S. A Canadian who does not own U. S. securities finds it relatively easy to speculate on a fall of the Canadian dollar by purchasing securities with interest or dividends payable in U. S. funds. In the reverse speculation on a return of the Canadian dollar to parity he is pretty well limited to selling U. S.-payable securities short.

It is reported that a strong short position has been built up in U. S.-pay securities by speculators, while the declines recorded in market prices of U.S.-pay high-grade bonds appear to provide evidence of the liquidation of some of these securities by investors.

* * *

Municipal Debt Falling

The influence which increasing government debt will probably have in decreasing other debts is indicated by the Ontario figures of provincial and municipal debt trends since 1934. From Dec. 31, 1934, to Dec. 31, 1939, net debts of Ontario municipalities decreased $102.4 millions to $324.9 millions. Between Oct. 31, 1934, and March 31, 1940, the net provincial debt rose $81.3 millions to $737.1 millions, all figures being gross debt less sinking funds.

Fact that the municipalities are gradually getting out of debt as provincial and Dominion Governments increase their obligations does not necessarily mean that the one is caused by the other. Municipal debt reductions would not have been possible without economies and careful supervision. But the additions to government debt are likely to result in improved dollar income, temporarily at least, and this is in turn likely to improve tax collections, sales of tax lands, reduce relief burdens, etc. Coupled with strict economy programmes, such as are being called for by a majority of municipal officers, deficits incurred as a result of war financing are likely to bring steadily improving municipal balance sheets.

This has already been shown in the number of refunding agreements reached by municipalities which have been reorganized in recent years.

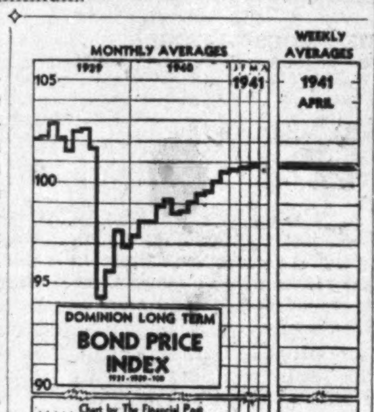
* * *

Bond Index

With trading shortened by the Easter holidays, Dominion of Canada long-term bond prices remained unchanged in the week ended April 17 at 100.9 on the D. B. S. index, based on the average of 1935-1939 prices. This was 2.2 points above the week of April 18, 1940, one point below the corresponding week in 1939.

DOMINION OF CANADA
Long-term Bond Index

	Weekly average Apr. 11-17	Precedng week Apr. 4-10	Weekly average year ago
Price	100.9	100.9	98.7
Yield	95.9	95.9	100.8



Foreign Exchange

During the week Apr. 15 to Apr. 21 there was no change in the quotation on the United States dollar at Toronto and Montreal which was $1.10 for buying and $1.11 for selling. The sterling rate likewise was unchanged at $4.43 buying and $4.47 selling. The rate is published daily by the Foreign Exchange Control Board.

Other Currencies, Apr. 21

Australia ...	3.58	N. Zealand .	3.61
India	.3372	S. Africa ...	4.47
Japan	.2608	Hong King .	.2710

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Montreal Tram. To Default

Unable to Meet July 1 Maturity But Will Continue Interest

From Our Own Correspondent

MONTREAL. — Montreal Tramways Co. has announced it will be unable to meet payment on principal of first mortgage bonds which mature July 1, payable in U. S. funds. Dec. 31, 1940, there were $21.4 millions of the bonds outstanding.

The company will continue to pay interest on the 5% first and refunding mortgage bonds, however, pending adoption of a scheme or rearrangement with bondholders. The company says earnings are "amply sufficient" to continue payment of interest.

Bondholders' Committee Formed

The company has found it impossible to arrange refunding the bonds.

National Trust Co., trustee for the 5% bonds, has announced formation of a bondholders' committee, composed of the following:

W. H. CLARK-KENNEDY—Manager, Standard Life Assurance Co.
C. P. FELL—President, Empire Life Insurance Co.
R. P. JELLETT—Vice-President and general manager, Royal Trust Co.
CHARLES MONCEL—Assistant general manager, Montreal City & District Savings Bank.
J. F. WILKES—Supervisor of Investment, Royal Trust Co.

Represent 20% of Issue

The committee is said to hold or represent bonds amounting to more than 20% of the outstanding total.

In addition to the $21.4 millions outstanding, $2.3 millions of the issue is held by the trustee for additional security for the general and refunding mortgage bonds.

The 5% first mortgage bonds were issued July 1, 1911, and are secured by first mortgage on all properties in addition to which there are other securities pledged.

Canada Arranges N. Y. Maturity

Half $20 Millions Issue Refunded, Rest Paid Off From Cash On Hand

The Dominion Government has arranged refunding of $20 millions of 1¼% notes maturing May 1 and payable in New York, Finance Minister Ilsley has announced.

Arrangements have been made with Chase National Bank of New York City and a group of Canadian chartered banks to renew $10 millions of the issue and the other half will be retired by cash.

To Refund Half

The $10 millions refunding operation will be undertaken by bank loan and promissory note bearing interest at 2¼%, to be dated May 1, 1941, and maturing May 1, 1943. The note will be subject to redemption in whole at option of the Dominion on or after Jan. 1. 1943. Principal and interest will be repayable in U. S. funds.

The 1¼% notes were issued in 1939 for a 27 months period.

INDUSTRIAL ACCEPTANCE

From Our Own Correspondent

MONTREAL. — Shareholders of Industrial Acceptance Corp. approved a by-law at their annual meeting increasing directors from six to eight.

Bond Redemptions

Bond Issues:	Rate	Year	Due	Price
Randolph Hotel.	6½%	1947	May 1	105
Ames Holden Tire	*7%	1943	May 1	105
Viceroy Mfg. ...	4½%	1952	July 1	103
Cons. Press.	6½%	1949	June 1	103
Shawinigan W..	†3½%	1946	May 15	101
Fam. Players .	‡3½%	1942	June 1	101
Morrison Brass	▲7½%	1947	July 1	101
Victoria Realty .	■6%	1948	July 2	102½
Walker, Hiram	°4½%	1945	June 1	102½
New Eng Pwr. .	3½%	1961	May 15	103½

*Drawn by lot $22,300. †$3,000,000. ‡$350,000. ▲$9,000. ■$13,500. °$207,000.

Stock Issues:
J. S. Mitchell .. 7% Pref. June 5 †110
†Plus accrued dividend.

Bond Tenders

Apr. 28, Victoriaville, P.Q.—$61,500, and $28,500, 4%, dated Apr. 1, 1941, redeemable serially from Apr. 1, 1942 to 1961.

Several Inequities Lifted by Recent Excess Profits Tax Amendments

By A. D. ELLWOOD
Investment Editor, The Financial Post

For dozens of Canadian companies, modifications in the Excess Profits Tax Act, as recently outlined by Hon. J. L. Ilsley, are of first class importance. In numbers, it is probable that the greatest proportion of those whose tax problems are made more reasonable will be found among the small businesses of the country.

But also among the companies which have obtained capital from the public are many which benefit.

The Financial Post has prepared a list of large industrial companies which should benefit from the provision permitting a choice of base years when the earnings of one of the four years are less than 50% of the average for the other three.

Eliminate Loss Years

Where a taxpayer finds that earnings of one of the four years from 1936 to 1939 inclusive is less than 50% of the average of the other standard years, he can choose his three best years in this period and average taxable income on this basis. It used to be that no allowance was made for one bad year. Even if an actual loss were experienced in one year, the remaining total still had to be divided by four to arrive at the standard profit.

Now the profits of the three best years can be taken and averaged over this three-year period to arrive at standard profits.

What this can mean in easing the tax burden cannot perhaps be determined accurately in many cases. Complete details are not available for one thing. But it is not hard to illustrate how it would work in practise and to show where a greater share of earnings can be left for shareholders.

In the accompanying tabulation, such calculations are made for some representative industrial companies.

There is another important way in which the Excess Profits Tax Act has been made more equitable

Now Use Calendar Years

The original "standard period" was defined as the years covered by company reports appearing in the years 1936, 1937, 1938 and 1939 in all cases where the company's year did not coincide with calendar years. This meant that a company with its year ending early in January would actually be basing its standard profit on far more of 1935 than of 1939.

Simpsons Ltd. is an extreme example. This company ended its fiscal year Jan. 8 in 1941, and on Jan. 3 in 1940. A strict application of the old rule meant that Simpsons would have had to include years ending Jan. 8, 1936, and Jan. 4, 1939, in determining its standard profit. This would not have included any of 1939, but would have included all of 1935.

Simpsons Ltd. reported net earnings, before income taxes of $636,232 for the year ended Jan. 8, 1936, and of $1,452,363 for the year ended Jan. 3, 1940. Under the old rules the former would have been included in the "standard profit" period and the latter would not although it is obvious that the latter year is much closer to meeting the real spirit of the act than the former.

Means Lower Tax Bill

The definition of "standard period" has been amended to require that taxpayers whose fiscal periods do not coincide with the calendar year shall apportion to the four calendar years 1936, 1937, 1938 and 1939 the profits of their corresponding fiscal periods. The apportionment is to be made on an equal daily basis.

On this basis, Simpsons would take the calendar years for its "standard period" and its "standard profit" would be correspondingly increased. It is likely that the new "standard profit" will not be far from $1,172,666, the average of the four years ended Jan. 3, 1940, instead of $968,633 as it would be on the old basis.

If the former figure for standard profit is the correct one, Simpsons would have another $204,033 exempt from excess profits tax. Assuming the maximum rate, this would mean about $125,480 deducted from this company's tax bill.

Such calculations can be only approximate but they indicate importance of the new provision that calendar years only are to be used in determining standard profit.

Where the company's year ends March 31—as dozens do—it is not so easy to estimate what the change might mean. But in every case where a rising trend for earnings was experienced throughout this four-year period, a similar experience on varying scales would be found.

A few companies which should be placed on a more fair basis as a result of this change are:

Company	Year Ends
Agnew-Surpass Shoe Stores	May 31
Canadian Breweries Ltd.	October 31
Cockshutt Plow Co.	November 30
Canada & Dominion Sugar Co.	January 31
Canada Cement Co.	November 30
Canadian Canners Ltd.	February 28
Canadian Cottons, Ltd.	March 31
National Grocers Co.	March 31
National Steel Car Corp.	June 30
Niagara Wire Weaving Co.*	March 31
Simpsons, Ltd.	January 8
Union Gas Co. of Canada	March 31
Wabasso Cotton Co.	April 27

*This company reported a net loss in one year and should also gain from the provision regarding choice of period.

Because these companies do not publish data from which could be calculated what their average daily profit in the standard period years might be, it is not possible to determine how much they may benefit. But all of them reported substantially higher earnings in the last year of the period than they did in the first. This justifies the assumption that a four-year average based on calendar years will give a fairer standard profit than would one based on company years alone.

Could Still Appeal

It should be remembered, of course, that these, or any other companies, can make use of the other provisions of the act which allow an appeal, to the Board of Referees or a tax return using up to a 10% return on capital employed.

Easier to determine the full import in selected instances, is the amendment giving some choice of base period. For example, under the old rule—and assuming that no use is made of the other possible grounds of appeal—Aluminium Ltd. would have had a standard profit from which to measure its "excess" of $11.5 millions on the old four-year average basis. But this company reported one year—1936—when net earnings before income taxes were only $2.6 millions. Obviously this year could be dropped as it is much less than 50% of the average of the other three years. If this is done, Aluminium's standard profit becomes $14.4 millions.

Equals $2.45 a Share

This means that just under $3 millions is added to the company's exemption from excess profits tax. Excess profits tax on this amount would be $1.8 million, or the equivalent of $2.45 a share on the common stock.

This is the largest dollar, or per share, benefit in the group of industrial companies examined. But there are others where the gain is substantial.

Canada Foundries & Forgings, for example, would have had a standard profit of only $103,348 if all four years are included in the average. But if 1936, when the company earned only $41,873 before income taxes, is left out, the standard profit becomes $117,173. The savings in taxes would be $8,502, or 89 cents a share on the common stock.

Canadian Dredge & Dock did not need to worry much about excess profits taxes last year as it had a loss on operations. But shareholders have just been advised that this year holds more promise and substantial profits might again be realized. If this happens, the company would be glad to have the extra $36,131 which it might add to its standard profit by dropping earnings of 1938 as it would be permitted to do. This would reduce its tax bill by $22,221 in the way of excess profits tax and would add 23 cents a share on the common.

The other examples given in the accompanying tabulation are all based on the same line of reasoning. One year out of the four base years gave net earnings before income taxes that were less than 50% of the average for the other three years. When this year of low earnings is dropped, the standard profit in each case would be raised. What this rise might mean in the way of reducing excess profits taxes is shown as so much per common share.

Once again, it should be pointed out that among these companies may be some that have sound reasons for appealing as a depressed business for a special ruling. But, assuming that this was not the case and that tax returns were made, on a general — not a consolidated basis—and the maximum 75% rate applied then the figures as shown should be approximately correct.

How Excess Profits Tax Changes Help Firms

Adoption of the revised Excess Profits Tax Act permits a certain amount of choice in selection of the base period on which to determine the standard profits as explained in the accompanying article. Estimates of how this would affect a group of Canadian companies follows.

In each case this would mean that the standard profit would be raised when one of the base years, in which the company's earnings were less than 50% of the average of the other three, is eliminated. In other words the amount of earnings exempt from Excess Profits Tax is raised for each of these companies. This means a lessened tax burden by the amount of excess profit tax that would have been payable on the difference between the old and the new standard profit.

The last two columns in the table show what the estimated reduction in taxes would be and what this would mean in the way of earnings per share on each company's common shares. As shown by comparison of the standard profit and the actual figures for 1940 net profits before tax provision, some of these companies would not have to pay excess profits taxes last year. In such cases the per share figures only indicate the saving that such companies would realize if earnings in 1941 rose to the extent as to make payment of excess profit taxes required.

Net Earnings Before Income Taxes

	(Standard Profit) On old basis of 4-year average of 1936-39 earnings $	On new basis if year with earnings less than 50% of average is eliminated $	Actual 1940 Earnings before income taxes $	Est. E. P. tax saving assuming max. 75% rate Total $	Per com. share $
Acme Glove	36,08[illegible]	48,111	86,101	7,397	0.31
Aluminium Ltd.	11,453,688	14,415,758	33,025,864	1,821,673	2.45
Amalgamated Electric	47,311	63,062	131,708	9,687	0.12
Asbestos Corp	947,041	1,168,004	959,854	135,892	0.23
Bathurst Power	222,402	277,289	1,291,161	33,746	0.08
Canada Foundries	103,348	117,173	304,686	8,502	0.89
Canada Steamship	251,460	335,279	1,736,409	51,549	0.17
Canadian Dredge	186,399	222,530	loss	22,221	0.23
Dominion Foundries	1,045,234	1,277,009	841,167	142,542	0.40
Dom. Steel & Coal	1,121,905	1,435,545	not avail.	192,887	0.18
Dunlop Tire & Rubber	114,446	152,595	339,686	23,462	0.41
Eastern Steel Products	82,123	97,330	198,173	9,352	0.16
English Electric	153,721	181,865	254,699	17,309	0.35
Great West Saddlery	34,235	41,913	81,916	4,722	0.12
Langley's Ltd.	22,837	30,449	13,724	4,681	0.22
Regent Knitting Mills	50,230	66,973	not avail.	10,297	0.16

*"G" stands for Gestetner of course.

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Fear Clash Over Labor Looming

(Continued from page 1)

of Labor (embracing C. I. O. unions in Canada); and to modify the ban on strikes in war industries before conciliation proceedings.

Unionists want the strike curb in the Industrial Disputes Investigation Act to apply only to wage disputes, and be voided in cases where the employer refuses to meet spokesmen for a union or his employees to settle a dispute.

C. H. Millard, executive director of the S. W. O. C. in Canada, and A. R. Mosher, Canadian Congress representatives on the Labor Supply Council, resigned early this week in protest against Government policy toward labor in wartime.

Concurrently from the same quarters has come a proposal for a new labor board to "put teeth" in enforcement of war labor policies. In particular it would handle dismissal grievances and similar troubles, and see that employers did not "obstruct" the right of collective bargaining to employees.

Collective Bargaining

To union leaders, "collective bargaining" means "unionization" and dealings between employers and workers through unions. To many employers, "collective bargaining" equally means dealing direct with their employees through a committee or elected spokesmen.

When the Government commended "collective bargaining" as a means to stabilize wartime industrial relations, in the declaration of labor policy last summer, both employers and unions took it as intended to pave the way for unionization. The Government intended to avoid incensing employers by leaving out any reference to "unions" or "unionization."

Unions attempted to capitalize on the declaration by launching intensive campaigns to unionize plants, especially in basic war industries. Hobbled in the use of the strike weapon to force unionization, unions have resorted to the conciliation machinery of the Industrial Disputes law to pry a way into hitherto non-union strongholds.

After trying to steer a middle course to enlist the union co-operation of both industry and labor, the Government now finds itself caught between twin fires. Both employers and labor are dissatisfied with official policies—or certainly with their administration. Employers complain that labor is being allowed to misuse the Industrial Disputes law to foment trouble and threats of strikes; to wield war labor policies to boost wages arbitrarily, and to bludgeon industry into unionization under the stress of war emergency.

Union's Protest

The unions protest that the Government has not practically implemented its support of collective bargaining; that the war ban on strikes unreasonably spikes labor's strike weapon; and that the wage ceiling policy, as interpreted and applied in actual cases, holds wartime wages down to inadequate levels.

On the last point, the unions are arguing that the ceiling should be applied on a uniform national and industrial basis, rather than on a varying basis of the cost of living and industrial conditions in different localities, as has been done.

Complaint on this score is especially emphatic in regard to the steel industry. A conciliation board majority report recently found against any wage increases at Peck Rolling mills, where union officials claim the basic wage is about 31 cents an hour, in contrast with 45½ cents an hour in the unionized plants of Algoma Steel Corp. and Dominion Steel & Coal Corp., and in certain plants at Hamilton.

Seek Higher Wage Level

Some 324 employees walked out this week in the Peck plant and the S. W. O. C. is talking strikes in the big non-union steel plants in Hamilton. It seeks to establish a nationwide minimum basic wage in Canadian steel plants of 62½ cents an hour. The S. W. O. C. in the United States recently won a basic minimum of 72½ cents in U. S. Steel Corp. plants, and the Canadian steel unionists now contend that the Canadian industry should establish a level 10 cents below that.

In some quarters it is felt war production should be protected by an outright ban on strikes, on the basis that workers in vital war plants cripple the war effort just as much by striking as would soldiers if they deserted or demanded higher pay before going over the top.

Crux of Trouble

The crux of the present disturbed situation, in fact, is not so much the question of wage inflation or the right to strike, but the fundamental question of unionization. Both C.I.O. and A. F. of L. unions in Canada have seized on the opportunity presented by the war emergency and the Government support of collective bargaining, and are evidently determined to unionize industrial workers as rapidly and as widely as possible while the going is good.

Labor is now reportedly proposing a new Dominion labor board, which would deal with incipient labor trouble directly through commissioners and penalize employers for "obstructing unionization." With equal representation of Government, employers and labor, the proposed new board would deal particularly with cases of alleged dismissal, discrimination or other "interference with union activity."

One phase of the proposal, it is said, would bar an employer from collective bargaining directly with employees if the union had a few employees in the plant.

Workers are expressly given the right to belong to unions, and be protected against dismissal and intimidation because of union activity, under Section 502 of the Criminal Code. The unions object, however, that there is a joker in the section in that it covers dismissal "solely" for union activity, allowing employers to say they fired a man for other reasons. They want the section amended.

Both groups — employers and unions — would like to see a clear-cut, decisive and firmly administered policy evolve that would let each side know where it stood, and satisfied that no special concessions were being made to temporize with each new situation as it arose.

Labor, employers and officialdom all want an end to shilly-shallying, and steps by the Labor Minister to adopt a clear-cut policy and stick to it.

Aluminum Plans Plant Expansion

(Continued from page 1)

a water storage dam at the headwaters of the Manouan River which will make available some 56.7 billion cubic feet of water to supplement water stored in Lake St. John. Further, by regulation of the flow of the Peribonka and Saguenay Rivers, the amount of power which can be generated in the winter at Saguenay Power Co.'s Isle Maligne plant will be increased by an estimated 30,000 h.p. Construction of this dam is being undertaken by Aluminum Co. of Canada at its own expense as a war measure.

All of this additional power is required to meet requirements of plants in operation or under construction.

Add Greatly to Capacity

Long before war broke out the company was preparing for the enormous demands which it knew would be made for aluminum in the event of a war. In June, 1939, the company undertook a $7 millions programme involving work at Arvida, Shawinigan Falls and Kingston. This work had been hardly completed when the company undertook further expansion of even larger proportions.

This second programme involved construction of new buildings and erection of equipment at Arvida and other places in the Dominion, as well as in South America where the company does bauxite mining.

Last year investment in property increased $17 millions. A further substantial increase in property account is expected to be shown in the 1941 financial statement.

By the end of this year it will be producing aluminum at a rate well over double that prevailing in prewar days.

Wilsil's Domestic Sales Are Holding Up Well

From Our Own Correspondent

MONTREAL.—Sales of Wilsil Ltd. in the domestic market have been well maintained, according to George A. Wright, president. Export business continues to be conducted through the bacon board and a considerable number of hogs are being converted to Wiltshire sides for shipment to England, although the spread between cost of product and selling price "has become extremely narrow due to advancing hog costs."

Rent Control Is Criticized

F. W. Nicolls, Director of Housing for the Department of Finance, told a recent luncheon meeting of the technical section of the Winnipeg Board of Trade that adoption of rent control in Winnipeg would result in serious curtailment of National Housing Loans.

When the rent control board was set up, Mr. Nicolls was appointed technical adviser, but he has severed his connection with the board because of his disapproval of the way in which the act has been administered.

Rent control administration, Mr. Nicolls said, ought to recognize the position of property owners and see to it that new construction is not discouraged. The board, he said, did not take the position of the owners of property into consideration, but set rents on the basis of some arbitrarily fixed and illogical date. In every district where rent control was in force new building declined.

U. S. Ignorance Our War Effort "Absymal"

(Continued from page 1)

the Germans started a whispering campaign, it took weeks and months to cope with the situation.

A branch of one Canadian bank in New York reports last July it handled as many as one hundred enquiries a day from prospective tourists who had heard German-inspired rumors about the difficulties of getting in and out of Canada.

News Side Neglected

The failure to organize Canadian news is also commented upon. Last week, for example, American papers gave as much if not more space to the escape of the prisoners of war at Port Arthur than they did Premier King's visit to Washington.

The discussion in Congress over the Lease-Lend bill gave Canada a great deal of undesirable publicity as to the assistance which the Dominion was giving to Britain. A Canadian Library of Information working in the States could have done much to offset the bad impression created at the time.

Evidence of Interest

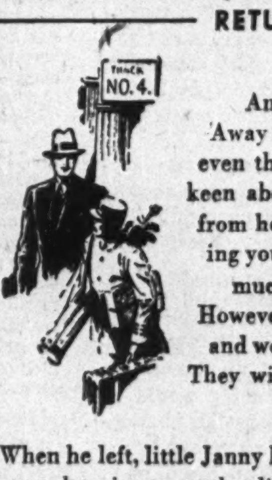
The New York branch of one Canadian investment house distributed a small booklet on the changes in Canada's economic status between 1914 and 1939. A few hundred dollars was spent in advertising. As a result requests for the booklet were received from all parts of the Union, as well as Mexico and England.

The few incidents mentioned were cited as examples of the need for organized and directed dissemination of Canadian factual news and material on all things having to do with Canada and the war effort.

Step in Right Direction

Announcement of the intended appointment of a press liaison officer at the Canadian legation in Washington is regarded as a sound move, but it is felt that this does not go far enough.

SOMETIMES MEN CAN NEVER RETURN



Another business trip over. Away only a week this time but even that is too long. Not very keen about these journeys away from home and those two growing youngsters; but, he had not much choice about this trip. However, he was back once more and would soon see them again. They will have missed him.

When he left, little Janny had been hard at work trying to get that little patch of flowers pushed up to show him what a helper she is. She won't fail to point out how they have grown while he was away.

And at that, how these youngsters do grow! It seems only a few short years ago that Ruth was the entire family. Must be about sixteen now and looks just like her mother.

Come to think of it, only seventeen years since he married: happiest years of his life. Mary had made a real home for him and he had been fortunate in keeping away from her the worries of the world men work in. As long as he could, he would keep it that way, though he knew that some day he might have to leave and never return to them.

Well, he had guarded against that time. No doubt about the sound wisdom of having an experienced executor-trustee named in his Will to look after the investments and property of his estate—they know what to do to make an estate earn the most. But best of all was the certainty that if anything happened to him, Mary and the girls would be under a sensibly business-like yet friendly protection.

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The Editorial Page . .

Canada's War Effort as a Whole

Canadians are thoroughly justified in rebuking Time Magazine for its belittling comments about Canada's war effort.

Here at home there has been a good deal of criticism regarding Canada's organization for war; most of it sound, constructive criticism. The Financial Post has been among the critics. It feels that we can move even farther toward the all-out war effort to which this country is committed. But between such critcism—self-criticism designed to spur us on to our most noble effort—and cheap jibes that suggest that Canada is doing very little in the war, there is a world of difference.

The other day The Financial Post received a letter from a reader contemplating a trip to the United States. She wanted to know what she could tell her American friends when they asked her what Canada was doing in the war.

There is a great deal she can tell; a story of achievement of which no citizen in Canada need be ashamed.

She can tell of a country that is united in a fervent desire to throw every last ounce of national energy into the struggle.

Of a country that is taxing itself as few nations have ever before taxed themselves to insure that the resources are available to pay the bills for the not inconsiderable array of manpower, munitions, ships and other vital war equipment made available to the cause of Democracy.

She can tell of a country whose citizens are denying themselves many of the ordinary amenities of peacetime to enable war needs to have first call on men, money, materials, power and dollar exchange.

She can tell of a country that is straining its financial strength to the limit to help the United Kingdom finance her purchases on this continent.

She can tell of a country where, despite so great an effort, there is still self-criticism; still the cry to do more and do it more efficiently.

It is one thing to search for the defects in order that they may be remedied. It is another thing to say the whole war effort is trifling and shameful. The first is helpful; the second is unjust and inaccurate.

Nature Takes a Hand in Butter

The expected has happened. A temporary butter shortage of last fall has now become a small surplus. As pasturage improves this surplus will increase. From now on less and less may be heard of fixing maximum prices and more about a minimum.

Had Dominion authorities investigated the real situation six months ago they might have saved themselves embarrassment. Prices might have gone a few cents above the maximum set by the Wartime Prices Board, but this rise, like all price increases in farm produce not artificially controlled, would have brought its own corrective. Production would have been stimulated; indeed stimulation was already on the way when the Board acted.

Dairy production is a long term proposition. It takes years for a farmer to get into a dairy business, but once started, he cannot quickly or easily turn output on or off.

Prior to the cycle of droughts which hit Western Canada in 1933, farmers of the prairies were steadily increasing their dairy cows. Butter volume gained. The time was approaching when Canada would be on an export basis.

The droughts of 1933-38 seriously hit this development. Dairy cows depend upon grass, hay and coarse grains, and all these crops must have more moisture than wheat. Dairy cows had to be liquidated in Western Canada during the dry years. Butter production fell off sharply.

Three years ago the rains returned and dairying started forward again. Development was slow and had not gathered sufficient momentum by last fall, to fully offset two new factors. These were:

1. A general increase in butter consumption due to sharply improved employment and
2. A temporary decline in butter production in Ontario due to damaged crops last summer.

It was apparent, however, from the sharp prairie gains each month that the lag would be brief. Now it has gone. Butter production is catching up with consumption. In a few weeks, when pasturage opens in both East and West, it will be in excess.

Unfair Articles on Newfoundland

Newfoundland is coming in for much publicity in American publications. The decision to establish a U.S. naval air base on the island has attracted special writers from the bigger newspapers and periodicals.

The publicity is not all good. Already Newfoundland and its people have been much misrepresented.

A typical example was Walter Davenport's article in Collier's a few weeks ago. It was so unfair that the Newfoundland Tourist Development Board sent a cable of protest to Collier's. Newspapers throughout the island colony have been most warm in their resentment of what they call Mr. Davenport's "besmirching criticism."

The difficulty seems to have arisen out of the fact that some of the special writers have come from the atmosphere of Park Avenue pent houses and the Stork Club to discover that Newfoundland is a country of hardy industrious people carving a new civilization out of rocks and trees and living off the products of the sea, with a standard of subsistence somewhat lower than that enjoyed by those who look down, as they shave each morning, upon the more effete artificialities of the Central Park area.

In the articles to which the Newfoundlanders object there has been some core of truth. But the facts had been distorted. It has been suggested that Newfoundlanders are lacking in ordinary culture; that they are weak; that they resent the intrusion of the Americans; that they are not loyal to the British flag.

Newfoundland is not a rich country per capita. Its people work hard for all they get. But the very ruggedness of their character is a product of their environment as is the case with Scotsmen, Swedes, Norwegians, Danes, Finns and, for that matter, the people of Minnesota, Maine or Vermont.

Those who come to Newfoundland expecting to find the country an extension of Fifth Avenue or Hollywood Boulevard come with the wrong perspective. Some of the articles written recently have not been conducive to good neighborly understanding between United States, Canada and the outer Atlantic bastion, whose security is so vital to the security of the American people themselves.

Mr. Ilsley on Businessmen

Recently the Minister of Finance stated that there had been "rumors" that certain firms were permitting unjustifiable expenditures because of the excess profits tax. He regarded such actions as wholly reprehensible, as "serious misconduct."

In the course of his remarks, Mr. Ilsley paid a tribute to the "vast majority of Canadian businessmen" which deserves more attention than it seems to have received. We reproduce the full text of the minister's statement:

"The overwhelming needs of the present emergency have made drastic taxation inevitable and indispensable, but the Government on its part has spared no pains to remove inequalities, anomalies, unjustifiable hardships and other legitimate causes of grievance on the part of Canadian industry. On their part we expect wholehearted co-operation in the war effort of Canada. Their co-operation has to date been enthusiastic and general. There have, however, been rumors that certain firms have incurred unjustifiable expenditures induced by the knowledge that the Government was bearing most of these expenditures because of the 75% rate of taxation applied. To the extent that this practice has prevailed, it is wholly reprehensible."

"I have said before and I repeat that any manager, any Board of Directors which permits higher costs because the Government through losses of taxes bears most of them is, in my judgment, guilty of serious misconduct.

"There may be little profit motive for vigilance in economy. But we do not offer the soldier, the sailor, the airman, a profit motive for vigilance at his post, a profit motive to risk his life. Nor should it be necessary to offer it to Canadian business for the prevention of inefficiency or waste.

"Existing legislation has been framed with a view to the prevention of unjustifiable expenditures which would not have been made but for the high rate of taxation, an evil which I believe is not widespread, certainly not general. I am confident that the vast majority of Canadian businessmen have conscientiously discharged their responsibilities in this respect as in others."

Mr. Ilsley's accusations of "serious misconduct" got more press attention than his tribute to the "vast majority." This was inevitable. The phrasing of the whole comment was such that an unfavorable impression of business morality could not help but be left in the average reader's mind.

Mr. Ilsley admitted he spoke from rumors. One wonders why he spoke at all on the subject until he had facts to give. His tax-collectors have full authority to dig into these facts and to take appropriate action. They do not need to deal in rumors.

Mr. Ilsley's attack on the few will be widely used by agitators and left-wingers and will be applied to all business firms. It is well, then, that Mr. Ilsley's statement should be published in full to indicate the limitations of the group he apparently intended to attack.

Make Canadian Menus Distinctive

One way Canadians can attract tourists from the United States is by offering them what they are looking for on a holiday—something different.

People travel usually because they want a change of some kind—atmosphere, scenery, people, customs or food. Otherwise they might as well stay at home. United States tourists visiting Canada want a taste of something distinctively Canadian or British—not American. In spite of this many Canadian business men persist in offering them the things they can get more easily in their own community.

This is especially so in the hotel and restaurant trades, where Canadian menus so often feature chicken a la Maryland, or Virginia ham or baked Idaho potatoes. Canada, with her historical background and geography, can offer dishes that are just as appetizing and distinctive. Why can't we, for instance, feature more strongly such things as fried chicken habitant style, French Canadian pea soup, Prince Edward Island potatoes, Scottish kippers, English-style roast beef, Canadian lobster, etc. These would help maintain the foreign atmosphere the visitor wants.

With preparations being made for another summer tourist season the time would seem to be ripe for more thoroughly Canadianizing our menus.

Editorials in Brief

We have received a long letter from a cabinet minister. It is typewritten with single spacing and written on both sides of the paper.

Normally this is the sort of thing that causes editors to fume and storm. But this letter brought a warm glow. It was a welcome effort at economy.

* * *

Those who have had recent contact with German prisoners of war in Canadian camps report a growing disillusionment among them as Hitler's promised final victory is longer and longer deferred. Disillusionment is often the first step to wisdom. It may be that some German prisoners of war in Canada will learn something about the workings of democracy that will help them to be leaders in the restoration of German freedom after the war.

* * *

George Weston Ltd. is a company engaged in the production of food. Last year it paid taxes of $1,355,000. The owners of the business—the common shareholders—got $323,000 out of the year's operations.

Taxes took 5½ cents of every dollar of sales; shareholders got about 1¼ cent.

The owners of the company, which produces biscuits and some bread and candy, made less than a sixth of a cent a pound as earnings on their investment.

It is that way with most companies. The tax collector gets more than the shareholder.

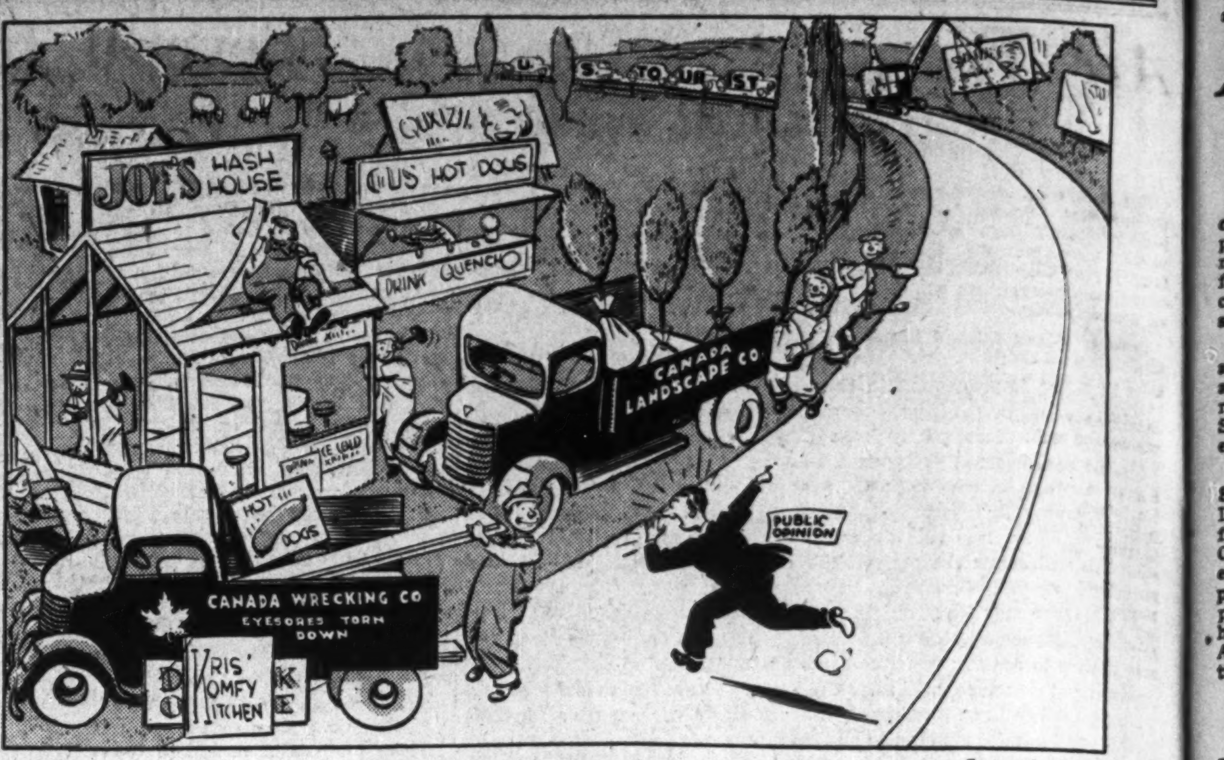
* * *

A few years ago the State of Nebraska got a reputation as "the White Spot" of taxation. It had no debts, no sales taxes, no income tax, no amusement taxes. Under the pressure of organized taxpaying groups politicians were held in check. Whereas in most areas spending by the politicians is what gets votes, in Nebraska spending and taxation were looked upon with suspicion by all classes of people.

Nebraska may still be "the White Spot." But it has one law that arouses suspicion. It suggests that the political spenders are arming themselves with formidable machinery to fight back at the taxpayers. A statute there now makes it a misdemeanor for a service station operator to reveal on his sign how much a customer pays in taxes for a gallon of gasoline.

As federal and state taxes make up about 50% of the retail price of gasoline there is perhaps good political reason for this effort to keep the motorist in ignorance as to the reasons why his gasoline is going up in price.

When it becomes a crime to let people know how taxes affect their cost of living the term "Dark Spot" seems more applicable.



—Cartoon by Grassick.

SPRING HOUSECLEANING
"Hurry, the visitors will be here soon!"

Post-Scripts . . . .

Convoy Chief

Speaking in Toronto recently, Hon. Angus L. MacDonald, Minister of Naval Affairs, stated that since the beginning of the war, 27 million tons of foodstuffs, munitions and other war material had been convoyed from Canada's "eastern ports."

RICHARD OLAND

Senior responsibility for this job rests with Commander Richard Oland.

Commander Oland has served 17 years in the R.C.N. He left the navy in peacetime and ran an insurance business in Halifax. Prior to the outbreak of war he returned to the service. When war started he was promptly placed into service directing convoy movements, checking all ships, directing ships' masters, and ironing out shipboard troubles when necessary. He is the Royal Navy's contact man in Canada for convoy work. As early as 1937 the R.C.N. is said to have had Richard Oland earmarked for this particular job in the event of war.

When Canada took control of merchant shipping on Aug. 26, 1939, he started to build up an organization of maritime men who knew ships, stevedoring, and cargoes, including civilians and R.C.N.V.R. officers. Thus a system of convoy control was ready to function when war started. Within a week the first convoy left a Canadian port under his direction.

Since that inaugural convoy, Richard Oland has been literally pushing the ships across the ocean with much needed supplies for embattled Britain. The record of ships to reach their destination safely is in part due to his capable handling of this important duty.

Commander Richard Oland's title is naval control officer for eastern Canadian ports.

* * *

One of Commander Oland's pet ideas for repaying heroic British seamen after the war for their valor in carrying supplies over the seas is creation of a Royal Merchant Marine to which all officers and men might belong. This would give every man a chance to go right to the top, provided he had the ability, to the command of a big liner. Under the present system he goes to a freighting line. He may become captain of a first-class freighter, but not of a liner.

Commander Oland's father was G. W. C. Oland, of Grayshott House, Hampshire, England, he came to Halifax in 1864, with his father, John James Dunn Oland, who founded the Oland brewing firm in Nova Scotia.

John J. D. Oland on arrival at Halifax with his family met Sir Francis De Winton, a fellow student at Cambridge University, who was at the time aide-de-camp to the Governor of Nova Scotia, Sir Fenwick Williams. Sir Francis, familiar with the Oland reputation for fine old English ale on their English country estate, suggested establishing a brewery in Dartmouth. Oland and Winton were associated in the brewery venture until Sir Fenwick was appointed Governor of Malta when Sir Francis De Winton accompanied him. His interest in the brewery was then taken over by Mrs. Susan Oland. From this firm arose the present firm of Oland and Son, Ltd.

* * *

Present managing director of the firm is Lt.-Col. Sydney Oland.

He entered the business at the age of 18. His schooling included the St. Francois Xavier University at Antigonish, N.S., and a course at the U.S. Brewers Academy, N.Y. In 1912 he married Herlinda de Bedia Y Cobo of Santander, Spain, at Havana, Cuba. He has three sons and a daughter. His home, Lindola, at Halifax, is one of the city's show places. He is a keen yachtsman.

SYDNEY OLAND

Since 1904 he has served in Canadian artillery units. In the Great War he commanded the 66th Battery, C.F.A., and the 14th Battery, C.F.A., in France. He later commanded the 1st Halifax Regiment Garrison Artillery. He is Aide-de-Camp to His Excellency the Governor-General.

He is a director of the National Life, of the General Trust & Executor Corp. of Halifax, and of National Thrift Corp. He is also vice-president, Maritime Paper Products, Ltd., secretary Lord Nelson Hotel Co. and managing director of A. Keith & Son, Ltd.

* * *

Foremen Firsts

An item which appeared in this column some weeks ago put forward the claim of the Foremen's Club of Toronto to being the first of its kind to operate in Canada.

N. P. DeValois, of Asbestos, Quebec, writes that the first Foremen's Club in Canada was formed in his community in the fall of 1938 under the name of Canadian Johns-Manville Foremen's Club.

Any more aspirants for first Foremen's Club honors?

* * *

Tells Princeton

Princeton graduates last week learned about Canada's war effort from a most suitable source, one of their own alumni. At the annual dinner of "Class '17, Princeton Club" in New York, Arthur A. Schmon, president of the Ontario Paper Co. and an outstanding authority on forestry in Canada, was the principal speaker. After effectively—and in detail—outlining the development of Canada's war machinery, Mr. Schmon ended with this human touch:

A. A. SCHMON
Blank-Stoller photo.

"War is grim. I am registered and numbered. I can't visit the United States except for business or health. The cost of living has been increased about 7% since the start of the war. This has been kept down by pegging prices so as to prevent hoarding, speculation or profiteering.

"My newspapers give me the news but they may be slightly censored so as to prevent information being published that may be of aid to the enemy. Of course, the newspapers are free to criticize governments and individuals.

"The Canadian sings 'God Save the King' while standing at attention and then proceeds freely and loudly to criticize institutions and men."

Arthur Albert Schmon first came to Canada 22 years ago. He was sent here by his former battery commander in France, Col. Robert R. McCormick, whose Chicago Tribune owned newsprint interests in this country. Young Schmon, just demobilized from the American Army, took charge of a wood plant at Shelter Bay, P.Q. By 1933 he headed the vast Tribune investment in Canada, principal of which was the Ontario Paper Co. mill at Thorold, Ont. It was under the Schmon management that the huge Comeau Baie development took place.

* * *

Another Taxi Story

Here is a recent story from irrepressible London, published in the current issue of This Week Magazine:

Winston Churchill was visiting friends in the West End of London on the afternoon of a recent broadcast. He left rather late and stepped up to a cab stand, telling the driver to go to the BBC studios.

"You'll have to take another cab, sir. I can't go that far," the driver told him.

The Prime Minister was rather surprised and asked the driver why he was limited in the distance his cab could travel.

"Mr. Churchill is broadcasting in an hour and I want to get home and tune in."

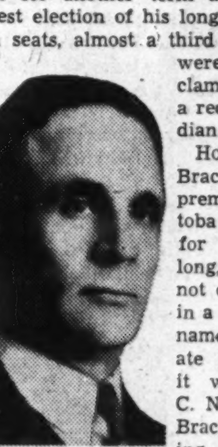
This pleased Churchill and he pulled out a pound note. The driver took one look at the note and said:

"Hop in, sir. T'hell with Mr. Churchill."

* * *

Perpetual Premier

The war has been unsettling for politicians in Europe, but not in Manitoba. This week Premier Bracken goes back for another term and with the easiest election of his long career. Sixteen seats, almost a third of the total, were won by acclamation, surely a record in Canadian politics.



PREMIER BRACKEN

Honorable John Bracken has been premier of Manitoba continuously for 19 years, so long, in fact, that not one Canadian in a thousand can name his immediate predecessor—it was Hon. T. C. Norris. Mr. Bracken's following has swung from Farmer-Progressive to practically straight Liberal and he has represented coalitions which have included both C. C. F. and Social Credit. At one time he actually proposed to share the premiership, on three months shifts, with his Conservative opponent Eric Willis. Mr. Bracken is almost as well known outside of Manitoba as within and is considered potential leader of any all-western political movement that might develop.

* * *

Like so many Westerners of his generation—he still is a few years this side of 60—Mr. Bracken hails originally from Ontario. He was raised on a farm in Leeds County and graduated from the Ontario Agricultural College. After postgraduate work in Illinois he went to University of Saskatchewan then as president to the Manitoba Agricultural College. From the latter post he stepped directly into the Manitoba premiership.

* * *

"It cannot be said too often that there is only one group of taxpayers in Canada, the Canadian people. They pay taxes to three taxing bodies—the municipalities, the Provincial Governments and the Dominion Government."—*Col. George A. Drew, K.C.*

Other People's Views . . . .

The Canadian Editorial of the Week

Damaging Their Own Case

Canadian Machinery

An emergency condition, such as war, has in it the elements of dangerous hysteria. The normal sound judgment of peacetime seems to be weakened. Such hysteria shows in the huge, widespread strikes currently flaring in the United States. The sane, constructive elements in organized labor have no desire for wasteful strikes, but it is not difficult in these times for agitators to get a hearing and sweep people off their feet.

A survey has shown that the general public in the United States has come to the belief that labor is delaying, and even imperilling, the defense programme through strikes.

Much ignorance still exists and many troubles are the direct result of misunderstanding, as judicial hearings have shown. Many large industrial concerns have taken their employees and the public into their confidence, have published their annual reports, their balance sheets, have tried to explain their difficulties, their limitations and their accomplishments in advertisements. More of this must be done.

Labor, too, has a public relations job to do if it hopes to win public support for its future activities. Certainly huge, work-stopping strikes, flaring up in the manner and to the extent at present current in the United States, are doing the very opposite. It is resulting in as bad a public relations job as could well be imagined.

Organized labor is bedevilled by two elements that cause most of the trouble, promote most of the strikes and violence and postpone legitimate gains for labor. These are the radical element, that makes use of labor for its own purposes, from working within, and racketeering labor leaders, out for themselves first, last and always, who will do whatever is necessary to keep the dues rolling in and the "indignation" of the membership at fever heat.

* * *

As Others See Us

Tax Reduction

Winnipeg Free Press

There is no province with such an opportunity for retrenchment in taxation as Ontario. Its treasury is fairly bursting with revenue, due to the immense development of war industries. It has a surplus of $12,000,000 for the year now ending and with the proposed continuance of the same taxation, the surplus will be far greater in the coming fiscal year.

The reduction of the corporation tax in Ontario is urged by The Financial Post as a means of aiding the Dominion in its war finance. The tax was increased from 2 to 5% a year ago and has produced $23,000,000, but this was described as an emergency measure and the increase was to lapse at the end of 1941. But Mr. Hepburn, premier and provincial treasurer, recently stated in his budget speech that taxation would remain the same.

* * *

Reducing "Profits"

Hamilton Review

As a curb upon wartime profiteering the Federal Government levies a 75% tax on excess profits. It has been found that in some cases firms have reduced these profits by unnecessary spending, with consequent reduction in tax revenues for the Federal treasury. As a result of this practice the Minister of Finance recently issued a stern warning to boards of directors. Extravagant uses of excess profits would be regarded by Ottawa as "serious misconduct," he said.

The Financial Post quotes from information tabled in the House of Commons to show that the Federal Government could be regarded as guilty of serious misconduct in its own spending on non-war enterprises. It showed that on the new C.N.R. depot in Montreal $2,174,590 was spent in 1939; $3,599,075 was spent in 1940; $4,100,000 was estimated for expenditure in 1941.

Here with about $10,000,000 of unnecessary spending, spending in no way connected with the prosecution of war, spending which might easily be regarded as retarding war production by the diversion of steel and man power involved in a pet political job of building a railway depot, The Post has presented a pretty solid answer. It makes it quite clear that the Government which cries for enonomy and sacrifice is no less guilty than the boards of directors which it condemns.

* * *

Unheeded Warnings

Maclean's Magazine

In the labor situation alone there is proof of inaction. As far back as the autumn of 1939 The Financial Post and other newspapers foresaw the skilled labor problem. Yet in spite of national registration, of training schemes, the spring of 1941 finds the crying need for shipbuilding and other workers still far from being answered.

* * *

The Mail-box

Wants Convoys at Once

Editor, The Financial Post:

The outlook is dark. "It is later than we think." When the Nazis broke into Norway, I felt it was time for the United States to enter the war. We must push our goods across to Britain. God grant that something will wake my countrymen out of their apathy. I try to impress all my acquaintances with the fact that if Britain falls, the German gangsters will be established in South America within a year and then we shall have to fight them there, and alone with Canada. We should send our convoys at once.

Best wishes to our best friend, Canada.

E. N. DASHIELL.

Warren, Ohio.

* * *

Businessmen in Government

Editor, The Financial Post:

The reason Ottawa does not want help from the business executives of this country is because the public will get wise to what a business administration could do and will insist it continues after the war. The poor politicians would be out of a soft job. We could put in a board of directors of say 25 good businessmen to run this country. It will come, in fact must come, before very many more years.

Weston, Ont. NELSON CLARK.

* * *

What the Papers Are Saying

Spider's Web for Labor

Ottawa Citizen

Organized labor in Canada is being invited again by Socialist politicians to join the C.C.F. party.

The most trusted figure of organized labor in Canada is Tom Moore, president of the Trades and Labor Congress. He has wisely kept out of party politics.

* * *

Roosevelt Wants It

Fort Erie Times Review

Much can be said against proceeding with the St. Lawrence seaway project at this time; but there is one weighty argument in its favor—Franklin Delano Roosevelt wants it. And, after all . . .

Sayings of the Week

"The idea that every girl should be taught higher algebra and geometry is crazy."—*Frank S. Rutherford, director of Vocational Education for Ontario.*

* * *

"Probably the problem of British shipping losses is indirectly but in reality our most important business problem."—*Col. Leonard P. Ayres of the Cleveland Trust Co.*

* * *

"It is a safe bet that if the British and Italians had swapped ships (in the recent Mediterranean battle of Cape Matapan), the victory would still have gone to the British."—*Admiral William V. Pratt, U.S.N. in Newsweek.*

* * *

"The history of the struggle at sea since the war began gives every reason to believe that the strength of sea power is undiminished and in the end will play the largest part in bringing down the pillars of the Nazi temple."—*Lord Halifax.*

* * *

"If there is one disappointment in Canada today, it is that troops from the Dominion were not engaged in the African Campaign where they could have provided some competition for the Australians. As the Canadians see it, the Aussies get all the luck and the Canadians have to sit around in England waiting for the Nazi to start his invasion."—*Arthur Schmon, president Ontario Paper Co.*

* * *

Stop Me If . . . .

Last week a Canadian manufacturer received a lengthy questionnaire asking questions about his plant capacity, war contracts and so forth. The first question read: "Where is your plant located?"

Impressed with the Government's desire for secrecy in the matter of war supply, he answered: "In an eastern Canadian province."

The Financial Post

Member Audit Bureau of Circulations

A weekly newspaper, presenting in a popular manner reliable information respecting investments, business and national affairs in Canada.

FLOYD S. CHALMERS, Editor
DOUGLAS M. GOWDY, Business Manager.

Published by
The MacLean Publishing Co., Limited
481 University Avenue, Toronto 2

JOHN BAYNE MACLEAN, Founder and Chairman.

HORACE T. HUNTER, President.

H. VICTOR TYRRELL, Vice-President and Managing Director.

Subscription Terms: Single copies, 10 cents. Yearly, in Canada, United States, Mexico and British Empire, $5; all other countries, $6.

Advertising Rates: Single insertion $4.20 per inch. Contract terms upon request.

Montreal: Dominion Square Building. Murray R. Chipman, Eastern Manager; John E. Langdon, Eastern Editor.

London, England: Sun of Canada Bldg., 2, 3 and 4 Cockspur St., S.W.1.

Air Transport Business Down

Some Crews and Machines Diverted to War Effort

Preliminary figures for operations of important Canadian air transport companies indicate that for most of them 1940 was a less satisfactory year than 1939. The same conditions, however, did not affect all companies alike.

Canadian Airways Ltd., for example, shows increase in passengers and freight and express carried but reductions in mail. Mackenzie Air Service shows gains in passengers, express and mail.

Greatest reduction is shown by Starratt Airways & Transportation Ltd. which in 1939 carried more freight and express than any other Canadian air lines. In 1940, however, this concern experienced particularly sharp reductions in passengers, freight and express but had an increase in mail carried. Arrow Airways Ltd. shows reductions in all branches.

For the most part, these companies serve northern Canadian mining areas. Their operations thus reflect the drop in prospecting activity since the outbreak of war. The figures, which are given below, do not reflect the changes which have taken place in operations of these companies in full. There has been extensive transfer of personnel to such enterprises as the British Commonwealth Air Training Plan. It is said that there has also been a transfer of an undisclosed number of aircraft to the services for patrol and other duties.

A reduction in total of freight carried can be expected, according to Air Transport Association of Canada, as most of the companies serve producing, or near-producing, areas, for which supplies can be estimated in advance. In such cases ground or water transport is often available.

SUMMARY OF OPERATIONS

		Canadian Airways	Mackenzie Air Service	Starratt Airways	Arrow Airways	All Canada (D.B.S.)
Passengers carried	1940	26,564	3,488	9,539	1,191	137,690
	1939	20,214	2,361	12,604	1,536	110,682
Freight & express (lb.)	1940	5,795,474	637,468	2,681,125	571,813	21,686,214
	1939	3,668,456	518,140	6,583,804	782,758	21,253,364
Mail (lb.)	1940	458,160	167,429	192,623	19,477	2,737,122
	1939	627,139	144,033	174,284	26,315	1,900,347
Miles flown	1940	2,145,172	424,470	766,503	123,030	......
	1939	1,938,963	474,865	1,025,325	153,865	......
Hours flown	1940	20,442	3,706	6,504	1,382	......
	1939	14,595	3,647	9,037	1,794	......

The Week in Business

Current business continues in large volume with D. B. S. index of business activity 4% above last year's level. Index for week ended April 12, however, was pulled below the previous week by declines in stock market trading, common stock prices, and bank clearings.

The Financial Post Business Index for March, 15% above 1940 but down slightly from preceding month.

Railway carloadings for week ended April 12, which contained a holiday, under previous week, but higher than year ago.

Railway gross traffic earnings for second week of April substantially above last year for both C. N. R. and C. P. R.

Automobile production in March shows small gain in passenger cars, with output of trucks tripled.

Sea fisheries catch for March down from 1940, but landed value substantially higher.

Newsprint exports up 21% in March over last year. Total for quarter up 14%.

Gold production in March above previous year. Total for three months 15% higher.

Lumber exports higher for March and first quarter than in 1940.

Cotton consumption for first three months of 1941 above 1940 level.

Cigarette consumption heavier than last year for March and first quarter.

Bank debits up 17.5% in March compared with previous year.

Life insurance sales in March 11% over 1940 level.

Trend of business shown by The Financial Post Business Index and following key factors, new items for the week being marked thus ▪.

TREND OF BUSINESS—	Apr. 12	Apr. 5	Mar. 29	Mar. 22	Apr. 13/40
Weekly index of business, D.B.S.	109.9	112.3	111.9	108.6	105.6
Commodity prices index no. ...	86.5	86.5	86.0	86.0	83.2
	Mar.	Feb.	Jan.	Dec.	Year Ago
▪The Financial Post business index	°149.1	152.5	154.6	152.9	132.9
Retail sales index no.	....	130.2	124.5	130.9	111.5
▪Dept. stores sales index no.	124.6	125.4	123.2	132.2	105.8
Wholesale sales index no.	....	110.6	106.2	125.0	98.9
Country store (% change pr. yr.)	....	+4.4	+2.4	+3.8	+12.5
EMPLOYMENT INDEX Nos., D.B.S.	Mar. 1	Feb. 1	Jan. 1	Dec. 1	Year Ago
All industries	135.3	135.2	134.2	139.1	113.5
Manufacturing	150.8	147.4	142.5	144.7	122.6
▪Living costs weekly budget	$18.16	$18.13	$18.26	$18.22	$17.75
			Jan. 1 to date		%
RAILWAYS	1941	1940	1941	1940	Change
▪Carloadings (week Apr. 12)	54,974	50,348	814,155	704,529	+15.5
▪C.N.R. gross (week Apr. 14) $	5,344,553	4,097,320	75,637,071	61,348,941	+23.2
▪C.P.R. gross (week Apr. 14) $	3,848,000	2,716,000	52,855,000	41,114,000	+28.5
▪C.N.R. net revenue (Mar.) $	4,932,055	2,002,977	10,691,565	5,437,961	+96.6
C.P.R. net revenue (Feb.) $	2,608,569	1,972,421	5,274,331	3,800,927	+38.7
IRON AND STEEL—Feb.—					
Pig iron production (tons)	91,165	87,032	194,250	191,735	+1.3
Steel ingots and castings prod. .... (tons)	172,698	140,343	358,975	306,839	+17.0
AUTOMOBILES—(Number)—					
Passenger Cars:					
Domestic sales* .. (Feb.)	6,728	7,780	12,455	14,518	—14.2
▪Factory output ... (Mar.)	12,093	12,025	34,730	37,383	—7.6
Trucks and Buses:					
Domestic sales* .. (Feb.)	2,462	2,054	4,741	4,090	+15.9
▪Factory output ... (Mar.)	13,951	4,387	38,219	14,635	+161.5
Financing:					
Used .... (Feb.) $	2,890,020	2,223,756	5,297,171	4,016,975	+31.9
New .... (Feb.) $	2,454,932	1,963,864	4,592,801	3,798,852	+20.9
CONSTRUCTION—					
Contracts awarded . (Mar.) $	13,991,900	11,726,100	65,276,300	32,339,700	+102.0
Cement prod., bbls. (Jan.)	283,000	191,000	....	....	+48.1
AGRICULTURE—					
Flour prod., bbls. .. (Feb.)	1,462,187	1,246,798	2,639,556	2,513,101	+5.0
Flour exp., bbls. ... (Mar.)	539,139	715,579	1,520,714	2,000,233	—23.9
Wheat exp., bush. .. (Mar.)	11,622,719	8,628,277	25,962,393	25,584,119	+1.2
Cattle sales▴ .... (Mar.)	71,188	64,934	223,645	209,547	+6.7
Hog sales▴ .... (Mar.)	481,667	354,408	1,525,394	1,119,661	+36.2
SEA FISHERIES—‡					
▪Catch, cwts. .... (Mar.)	407,300	456,550	1,280,000	2,620,150	—51.1
▪Landed value ...... (Mar.) $	562,230	425,600	1,667,630	1,840,800	—9.4
NEWSPRINT—					
Production, tons ... (Mar.)	275,769	251,279	782,674	734,134	+6.6
▪Exports .... (Mar.) $	10,811,336	8,984,203	30,898,378	27,012,093	+14.3
MINING AND OILS—					
Coal prod., tons .... (Feb.)	1,480,601	1,490,355	3,226,083	3,223,036	+0.09
Coal imports, tons .. (Feb.)	508,412	457,642	1,037,982	914,717	+13.4
▪Gold prod., fine oz. (Mar.)	426,842	355,571	1,300,324	1,128,691	+15.2
Crude oil prod., bbl. (Jan.)	802,700	486,900	....	....	+64.9
Crude oil imp., gals.† (Feb.)	63,266	50,128	118,463	114,619	+3.4
ELECTRIC POWER OUTPUT—(February)—					
Total monthly, 1,000 kw.h.'s	2,407,068	2,367,031	5,041,763	4,893,174	+3.0
FOREIGN TRADE—♦					
Imports .... (Feb.)	89,631,628	71,041,535	188,014,090	142,145,698	+32.2
▪Exports .... (Mar.)	102,692,672	83,465,140	292,178,474	246,633,048	+18.4
OTHER INDUSTRIAL FACTORS—					
▪Dressed lumber exp.: 1,000 bd. ft. ...... (Mar.)	169,810	145,451	486,643	430,646	+13.0
Shoes, prod.; pr. ... (Feb.)	2,215,864	2,279,562	4,116,949	4,353,090	—5.4
▪Cotton consump., lb. (Mar.)	16,803,419	16,060,216	49,086,877	47,661,320	+2.9
Raw rubber imp., lb. (Feb.)	8,073,008	7,373,877	21,595,715	18,679,104	+15.6
▪Cigarette cons. No.† (Mar.)	692,672	533,352	1,872,762	1,668,313	+12.2
Sugar manufactured .. lb.§	60,847,403	34,864,788	142,081,560	122,751,496	+15.8
FINANCE—					
▪Bank debits† ...... (Mar.) $	2,838,146	2,412,660	8,319,432	8,042,212	+3.4
▪Bond sales† .... (Mar.) $	42,789	92,115	239,386	529,037	—54.7
▪Life insurance sales (Mar.) $	33,700,000	30,265,000	93,526,000	95,811,000	—2.3

*D.B.S. All Canada figure covering over 90% of the Canadian total.
‡Unrevised figures covering N.S., P.E.I., N.B., Que., B.C. °Preliminary.
▴Total at yards and plants
New items for week marked ▪
†000's omitted. §For four weeks to March 22. ♦Gold excluded.

Sask. Will Pay 70% Relief Cost

Saskatchewan will assume the cost of 70% of unemployment relief in the fiscal year which began April 1, Premier W. J. Patterson has announced.

Municipal governments will be expected to bear the remaining 30%, Mr. Patterson stated. The new division of costs increased from 40% to 70% the provincial cost of relief and the municipalities' from 20% to 30%.

The Dominion Government has stopped payments for unemployment relief, but prior to March 31 supplied 40% of the total cost.

Dominion Stores Opens Units

Dominion Stores sales are reported to have shown gains in the first quarter of 1941 over the 1940 period. With the opening of the two new branches, the company will have 309 stores in operation, as compared with 324 at the end of 1940. The policy of closing less profitable units is continuing.

Dominion Stores Ltd. will open two new units in Toronto shortly, in premises formerly occupied by Miracle Marketerias Ltd., now in receivership.

Contrary to previous reports, Dominion Stores is not purchasing property from Miracle Marketerias with the exception of some store fixtures, and is not taking over Miracle business as a going concern. About two years ago, Dominion Stores succeeded Miracle Marketerias as tenant of another property in the Toronto district.

Wpg. Electric Activity Higher

Three Operating Utilities Expand Services During 1940

From Our Own Correspondent

MONTREAL. — Higher business activity gave increased earnings to three utilities of Winnipeg Electric Co., W. H. Carter, president, states, but the gain was not equal to that in some other industries.

While firm power sales of the electric utility showed an increase over 1939, secondary power sales decreased substantially because of low water conditions on the Winnipeg River during most of the year.

The electric railway utility carried 44.6 million passengers, compared with 41.6 millions in 1939. The 1929 record was 61.2 million passengers.

Make Sinking Funds Payment

First annual sinking fund payment of 3% of principal amount on the 3½% first mortgage bonds was paid when due on Jan. 2. This amount, totalling $105,000 was paid to the trustee.

First payment of sinking fund on the general mortgage bonds and debenture stock becomes due July 2, 1943.

Extend Bus Service

Extensions of trolley and gasoline bus service were made during the year and street railway routes reduced. Negotiations have been renewed with the City of Winnipeg for a new transportation franchise within the city and are being continued.

Wage agreements written in 1938 expired during the past year and were renewed for another year at the same basic rates. The company agreed to pay a bonus of 2% on wages.

Wartime Housing Head Tells Building Policy

Dwellings erected by Wartime Housing Ltd. will be designed to meet a temporary emergency and with a view to maximum salvage when "liquidated" after the war, according to an official outline of the new Government company's policy by Joseph M. Pigott, president.

Speaking before a conference of mayors at Ottawa this week, Mr. Pigott stressed that the company aimed definitely to keep out of the permanent housing field and avoid competition with builders of normal residential requirements.

Surveys are now being conducted in various parts of Canada to determine where housing emergencies exist for workers in war plants and defense projects, and Wartime Housing will launch developments only where such emergencies are found, Mr. Pigott stated.

Using Ottawa Designs

Having consulted with experts through the Royal Architectural Institute of Canada, and visited Washington to study U. S. policy at first hand, officials were satisfied the company was proceeding along sound lines in design and general plans. Mr. Pigott revealed that, apart from such local assistance and special services as may be enlisted from architects, the company is relying on the plans for demountable houses developed by the Housing Administration of the Department of Finance.

These plans are based on studies and experimentation by the administration over the past year, and are being used by Wartime Housing with "very little alteration."

Outline of Policy

Following is Mr. Pigott's outline of policy, in slightly condensed form:

The company will build housing accommodation only where it is of the opinion there is a definite and acute shortage due to the additional employees required in connection with munitions work or defense projects. It will provide this housing only where private capital has failed to do so or where, because of the temporary nature of the requirements, private capital is not available for development purposes.

This housing accommodation will be temporary in character, and will be rented to the occupants by the company. It will be built at the lowest possible cost consistent with proper standards of health and sanitation and with the necessity in this country for insulation against cold weather in mind.

Generally speaking, the company will furnish this housing accommodation believing that it is only required for the duration of the war and that when the emergency has subsided, the housing will be liquidated.

Demountable Units

It is, therefore, the intention of the company, so far as it is possible to do so consistent with cost, to build these houses so that the greatest amount of salvage can be obtained. For this reason, to a great extent the houses will be "demountable"; in other words, they will be so built in convenient sections bolted together that they can be taken apart later and in this manner salvaged more cheaply and with a greater salvage value.

It is the intention of the company to standardize on two or three types of houses. It is expected there will be two plans for two bedroom houses and one plan for four bedroom houses. There will also be standard staff houses to accommodate approximately 90 unattached men.

Mass Production

It is the intention of the company to take tenders from contractors whose organization and experience is considered satisfactory to the company for the project in mind. It is hoped that the larger general contractors will be properly interested in this field and will make their larger organizations available. It is felt that in projects as large as this, mass production methods will have to be employed, since cost and time are very important factors.

In other words, where the programme will involve 300 or 400 houses, it will not be the policy of the company, for obvious reasons, to engage a large number of contractors with a few houses each, but, on the contrary, the responsibility will be placed with companies properly organized to work on the desired scale.

Plans of Procedure

Specially selected men are out in Ontario and Nova Scotia at the present time, examining local conditions, and their reports are being dealt with as soon as they are completed. When these reports are received and considered, recommendations are made to the Government as to what should be done in the circumstances and, where the Government approves of our plans, orders-in-council are passed and we are authorized to proceed.

The Government having approved, the company first appoints a local authority for the city or town concerned. These committees will consist of prominent citizens willing to give their services voluntarily for the duration of the emergency. They will, of course, require the services of paid administrators.

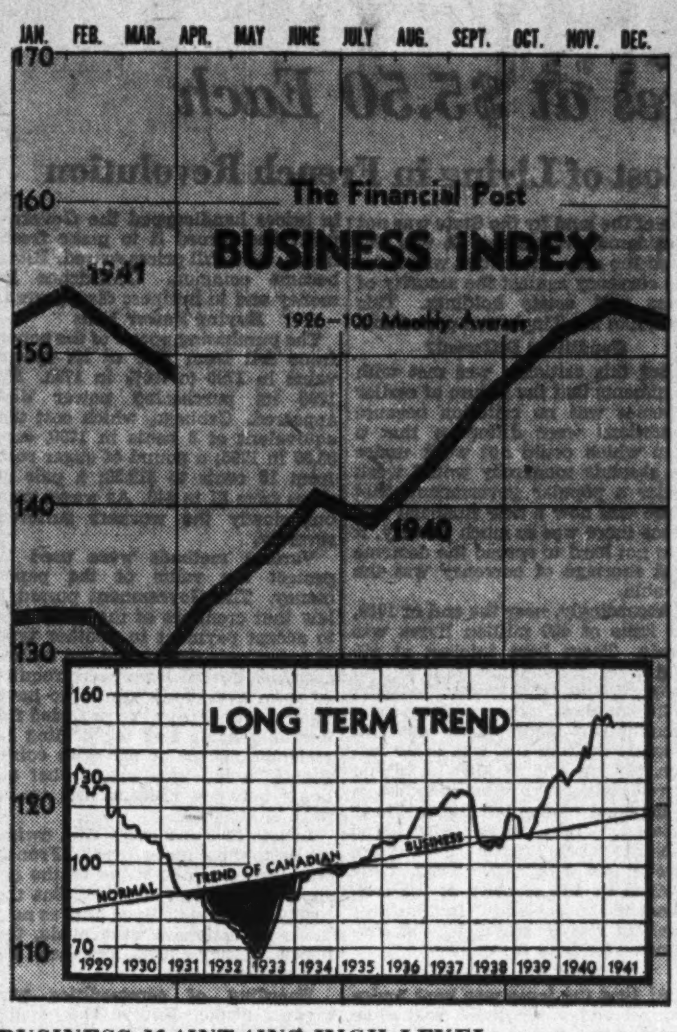
In addition to the preliminary work of locating sites and arriving at decisions, there will be the heavy task of managing the properties, collecting the rents, engaging staffs to run the staff houses; staffs and equipment for dining halls and in certain places, recreation facilities.

Use Wood Mostly

Generally speaking, these houses and staff houses are being built of wood on posts with a variety of finish both outside and inside, according to specifications drawn up which give a certain freedom of selection. This is felt to be necessary, so as not to create a shortage in any one material. Materials such as plywood, gypsum lumber, plaster board, ordinary sheathing, siding, etc., will all have their place.

The first accommodation will be erected for single men and only when the company is sure that the demand exists for family units will houses be built. In certain centres there is a general scarcity of housing and where that exists, the company will, as far as it is possible to do so, consistent with the carrying on of the manufacture of munitions, keep out of the way of builders of permanent homes.

It cannot be emphasized too strongly that the company has not been created to go into the permanent housing field, nor to compete with the builders of permanent houses. As has already been stated, it is only where for obvious reasons private capital is not or would not be interested, that the services of this company will be engaged.



BUSINESS MAINTAINS HIGH LEVEL

Canadian business showed a slight recession in March compared with the previous month, although holding well above the level of last year. The Financial Post Business Index for the month based on preliminary calculations was down about 2% but was 15% higher than in March, 1940.

Factors contributing to the gain over last year were the rise in gold receipts at the mint, increases in sugar grinding, newsprint production, lumber and shingle exports, carloadings and hog slaughterings. Silver shipments and cheese production were lower.

Major Economic Factors

		Mar. 1941	Mar. 1940	Incr. + Decr. — %	Feb. 1941
The Financial Post business index†		*149.1	129.6	+15.0	152.9
Bank deposits†		148.1	130.4	+13.6	144.2
Gold receipts at mint	fine oz.	426,842	355,571	+20.0	411,880
Silver shipments	fine oz.	1,512,725	1,894,822	—19.7	1,299,088
Asbestos exports	tons	14,770	13,052	+13.2	17,250
Sugar manufactured	lb.	60,847,403	34,864,788	+74.5	43,313,001
Cheese, factory production	lb.	1,459,887	2,793,160	—47.7	958,556
Butter, creamery production	lb.	12,346,048	10,526,374	+17.3	9,958,973
Newsprint production	tons	275,769	251,279	+9.7	245,607
Planks and boards exported	M. ft.	169,810	145,451	+16.7	151,941
Shingles exported	squares	273,907	215,785	+26.9	276,916
Automobile production	no.	26,044	16,612	+56.8	23,710
Carloadings	no.	249,698	195,106	+28.0	217,533
Cattle slaughterings	no.	116,858	112,405	+4.0	91,675
Hog slaughterings	no	503,916	379,408	+32.8	492,998
Bank debits	$000	2,838,146	2,412,660	+17.6	2,540,182

†1926 equals 100. *Preliminary.

A CHECK-UP OF YOUR INVESTMENTS

A requisite of a sound investment portfolio is a periodic analysis by a competent investment consultant. This service may be obtained without obligation at any of our offices.

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Capital (Fully Paid), $2,000,000 Reserve Fund, $2,400,000

SUNSET IN OLD QUEBEC

Who said the sun is coming up again?

WATCHING THE SUN SET, the proverbial man from Missouri wouldn't believe it was coming up again . . . until he saw it do so with his own eyes.

And when Metropolitan invests money for the benefit of policyholders, it adopts that sound old habit of taking nothing for granted. Like the man from Missouri, we want to be shown.

▶ And that's because our first consideration must be safety. Of course, there is no such thing as an absolutely riskless investment, but we like to be as certain as possible that each investment is a good one. Our staff of investment specialists is well equipped to investigate proposed investments and therefore should make fewer mistakes than an individual attempting the same thing.

Of course, all Metropolitan investments are made in accordance with the insurance laws, which wisely limit the fields in which life insurance companies may invest. In addition, all such investments must meet our own investment standards.

Suppose, for example, that Metropolitan is considering the investment of a sum of money in the bonds of an industrial company, or a company distributing light, heat, or power. The first thing we do is to gather all available data about that concern . . . its financial statements, recent audits, and similar material.

▶ In many instances, it is necessary to go further . . . to make a more exhaustive study of the company's management, its position in the trade, its record, and its prospects.

The mass of first-hand, up-to-date information thus obtained is carefully considered by those charged with this responsibility. The recommendations of these men must then be approved by the Finance Committee of Metropolitan's Board of Directors.

Once the securities have been purchased, Metropolitan continues to follow the company's operations through annual or interim reports, and to watch trade developments and changes in the industry in which the borrower is engaged. Metropolitan is better able to watch these things than an individual, and is better prepared to handle any difficulties that may arise.

▶ As we said before, safety is the first consideration in all Metropolitan investments. Second to safety, is the income from the investment—the interest that helps pay the cost of your life insurance.

The care with which Metropolitan invests funds for the benefit of its policyholders is reflected in the sound assets which enable the Company to fulfill its obligations.

This is Number 36 in a series of advertisements designed to give the public a clearer understanding of how a life insurance company operates. Copies of preceding advertisements in this series will be mailed upon request.

Metropolitan Life Insurance Company
(A MUTUAL COMPANY)
NEW YORK
Frederick H. Ecker, CHAIRMAN OF THE BOARD — Leroy A. Lincoln, PRESIDENT
CANADIAN HEAD OFFICE
OTTAWA

YES—YOU MISS ALL THIS
IF YOU BUY ANY LOW PRICE CAR BUT NASH

THIS BIG 4-DOOR SEDAN only $1385*

★ Over 30 Miles on a Gallon of Gas.
★ 2-way Roller Steering for the easiest handling, easiest parking you ever experienced.
★ Greatest Seating Width of Any Low-Price Car.
★ Coil Springs On All Four Wheels.
★ Weather Eye Conditioned Air System, Convertible Bed.

Every week, thousands of new car buyers in United States and Canada are changing to the new low-price Nash to get more economy, more comfort, more room. Drive this new kind of car—today!

NASH PRICES NOW AS LOW AS $1255 Delivered in Toronto
*Delivered here, with standard equipment only. Weather Eye, Convertible Bed, White Side Wall Tires, and Bumper Guards, extra.

SEE YOUR NEAREST NASH DEALER

The
WAWANESA
Mutual Insurance Company
Organized in 1896
Assets $2,894,436.70
Surplus 1,513,855.65
Dominion Gov't Deposit 1,041,353.86
Write for Financial Statement
Head Office: Wawanesa, Man.
Eastern Office: Toronto, Ont.
Branches at Vancouver, Edmonton, Saskatoon, Winnipeg, Montreal and Moncton
2,000 Agents Across Canada

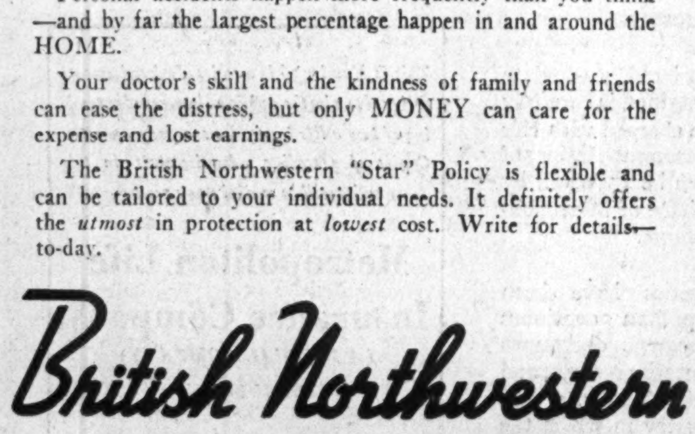
$1,465,589
DIVIDENDS RETURNED TO POLICYHOLDERS IN 1940
. . . a convincing demonstration of how a mutual fire insurance company, operated for the benefit of its policyholders, can effect definite, clear-cut savings in their insurance costs.
These benefits are available to YOU today. Enquire now—local agents and branch offices across Canada.
NORTHWESTERN MUTUAL FIRE ASSOCIATION
CANADIAN HEAD OFFICE • VANCOUVER

United States Fidelity & Guaranty Company
TORONTO

THE
Dominion of Canada
GENERAL
Insurance Company
Established 1887
Fire Casualty Life

CONTINENTAL LIFE
FOUR SQUARE
Four Square Security for You and Your Family
TOTAL ASSETS EXCEED $10,000,000.00
A CANADIAN COMPANY ESTABLISHED 1899
President JOHN W. HOBBS
Managing Director NEWTON J. LANDER

Automobile and General Casualty Insurance
AGENCY INQUIRIES INVITED
LUMBERMENS MUTUAL Casualty Company
Fire and Allied Lines Written in Associated Companies
VANCE C. SMITH, Chief Agent
CONCOURSE BUILDING TORONTO

You're Wrong IF YOU BELIEVE THE OLD SAYING -


Personal accidents happen more frequently than you think—and by far the largest percentage happen in and around the HOME.
Your doctor's skill and the kindness of family and friends can ease the distress, but only MONEY can care for the expense and lost earnings.
The British Northwestern "Star" Policy is flexible and can be tailored to your individual needs. It definitely offers the *utmost* in protection at *lowest* cost. Write for details—to-day.
British Northwestern
FIRE INSURANCE COMPANY
HEAD OFFICE FOR CANADA: 217 BAY STREET, TORONTO
J. H. RIDDEL, *Managing Director* V. G. CREBER, *Asst. Manager*
A. C. RUBY, *Br. Mgr.*, WINNIPEG M. NEVILL, *Br. Mgr.*, VANCOUVER

Banking

Cabbages at $5.50 Each

Inflation Boosted Cost of Living in French Revolution

This the eighth article of a series on currency inflation describes the results that followed the uncontrolled issue of paper currency at the time of the French Revolution.

By DONALD G. MacLEAN
Staff Writer, The Financial Post

War and depression have always been the main causes of currency inflation. At the time of the French Revolution. Both factors were at work. Consequently in the space of eight years, at that time, there was a series of experiments with paper money which included most of the monetary pananceas that have been suggested in later times.

The year 1788 was a bad one economically for France. Crops had been so bady damaged that the Government took over regulation of the grain trade. Manufacturing was depressed. There was much unemployment. The Government had had recurring deficits. The burden of taxation was very heavy.

To meet government expenses without wringing further revenues from a people on the verge of revolt the King suggested issuing short-term, interest-bearing paper which was to circulate as money. But many citizens had heard of the dangers that had followed the issue of paper money 75 years before and so much opposition developed that it was dropped.

Seize Church Property

In 1789, when the revolution broke out, the States-General seized the property of the Church, worth about 3 billion livres. But they had to turn this into money to meet expenses.

The need was urgent. European countries, hostile to the revolution, were threatening war. Discontent at home was increasing. The first effort to turn these holdings into cash by selling the land did not work. The revolution threatened the security of the people that had money and they were the only ones that could buy land. Cultivation of the land by the State was not considered practicable. It was decided the only alternative was to issue currency against the security of these real estate holdings. This plan, like the King's, met opposition.

Conditions Different?

But this criticism was met with arguments that the failure of earlier schemes was no criterion because conditions were different; that a plan which could not work under an absolute monarchy would work under a popular government; that there was now a new financial era. Since there was so much poverty, it was not hard to spread the doctrine that shortage of currency was the trouble.

Accordingly, near the end of 1789, an issue of 400 million livres was made. These bore interest at 5% and were reedemable in land, but they were not legal tender. In April, 1790, another issue of the same amount was made which was still interest bearing but was legal tender. By the end of 1790 1.4 billion were outstanding. Subsequent issues were legal tender but did not bear interest. They were full-fledged money. These paper notes were known as assignats. They were backed by the security of the confiscated church lands. In time this backing was increased by the confiscated lands of the nobles.

At First Under Control

At first the issue was kept under control and while there was some depreciation it was not great.

As agriculture was stimulated by freedom from taxation and various feudal restrictions, there was a fair demand for land which resulted in many assignats being redeemed and retired—through purchase of land.

But as government needs for finances continued, further issues were made. Prices began to rise. Many began to hoard coin money, with the result that it became scarce. Those who had specie money demanded a premium on it in assignats. As prices rose people began to hoard not only coins but food and other commodities as well. Traders and farmers were soon taking assignats only at a discount. War broke out in 1792 and the Government again had to increase the issue, which brought further price rises. The rise in prices handicapped the Government and forced it to make fresh issues. And still prices soared. Riots became common. Confidence in money and in business disappeared.

Buying Power Falls

The purchasing power of the paper franc fell from 77% of its specie value in 1790 to 0.8% in 1795. By 1796 its purchasing power disappeared. Cabbage, which cost the equivalent of 8 cents in 1790, cost $5.50 in 1795; a pound of sugar rose from 18 cents to $12.50; a pair of shoes from $1 to $40. As wages rose but slowly the workers suffered severely.

Various methods were used to protect the value of the paper money. The Government passed a law that creditors of the army had to accept payment in another type of paper note that would not be negotiable. Forced loans were required from everybody known to have money. Penalties were provided for hoarding coins and for dealing in assignats except at par with coins. Finally a law was passed that all debts between citizens had to be paid in assignats.

In late 1793 and early 1794, owing partly to these measures and French war successes, the value of the assignats recovered slightly. But the recovery was shortlived and, as new issues of assignats were made, the paper money soon resumed its downward trend.

Hoarding of commodities was made a crime. But various means were found of getting around the law. Farmers, forbidden to hoard grain, increased holdings of livestock and fed the grain rather than sell it for worthless money. Manufacturers reduced the quality of the materials they used.

Hot Money

Nobody held the assignats longer than possible. Assignats were indeed hot money which passed quickly from hand to hand.

Finally the Government decided the only thing to do was to return to sound money. But before doing so they adopted another form of paper money called mandats which were exchangeable for assignats at a set rate.

The people would have none of them. Finally the whole system of assignats had to be wiped out.

Casualty Insurance

Macaroni in Drink Resulted in Claim

Manufacturers and Merchants Subject to Strange Hazards Often Beyond Their Control —Protection Given by Products Insurance

A claim received by a manufacturer in a Canadian city illustrates the extent to which businessmen may be liable for most unexpected damages.

The circumstances were these: A young lady employed in a bakeshop wanted a cold soft drink. In the store next door she purchased a bottle of her favorite beverage, taking it back to the bakeshop with her. Opening the bottle she poured the contents into a cup.

While drinking she felt an odd sensation on her lips. In the cup she saw what appeared to be two white worms floating near the bottom. Hysterical, the girl had a two-day illness.

The "worms" were found to be small pieces of macaroni.

The soft drink manufacturers received a claim from the young lady for shock, illness and loss of time. The soft drink firm carried products insurance and was able to turn the case over to the insurance company which relieved him of all further responsibility.

Cases like this are fairly common. A man eating raisin bread closed his teeth on a small stone, broke a tooth and sued for dentist's bill, suffering, loss of time, etc.

In some cases there may be no legal liability for the alleged damage. But if the injured party takes the matter to court and a lawsuit results, considerable expense may be caused in proving freedom from liability.

The type of insurance which gives protection against such cases is known as products insurance and it protects the manufacturers not only against his own error or negligence but those of his employees, as well as purely accidental hazards.

Ontario Fire and Casualty Experience In 1940

Insurance Experience in 1940

	Net Premiums Earned $	Net Losses Incurred $	*Ratio 1940 %	*Ratio 1939 %
Fire Insurance—				
Joint stock co's.	12,834,441	4,762,520	37.11	33.53
Cash mutuals:				
No capital	1,621,374	712,785	43.96	42.79
With capital	363,420	203,432	55.98	47.66
Other mutuals	919,919	323,349	35.34	40.24
Lloyd's	1,604,132	1,055,771	65.79	59.63
Total	17,338,286	7,057,857	40.76	....
Automobile—Total	11,750,570	6,700,382	57.02	53.64
Casualty Insurance—				
Accident	1,443,337	552,434	38.28	34.40
Accident & sickness	2,014,781	1,398,250	59.47	61.36
Aircraft	76,056	25,973	34.15	23.76
Boiler & machinery	474,075	58,323	12.30	10.24
Credit	113,045	12,481	11.04	8.02
Employers' liability	188,742	67,923	35.99	56.89
Guarantee	898,969	185,249	20.61	6.22
Hail	188,634	87,719	46.50	10.26
Inland transportation	660,902	271,424	41.07	25.68
Livestock	28,521	13,351	46.81	67.49
Marine	1,958,327	975,319	49.80	40.81
Personal property	499,245	177,055	36.11	54.27
Plate glass	244,598	118,514	48.45	42.98
Property damage	304,279	30,347	9.97	50.81
Public liability	1,093,185	373,199	34.14	48.92
Sickness	638,647	418,168	65.48	65.34
Sprinkler leakage	5,951	482	8.10	35.36
Theft	674,730	212,798	31.54	43.39
Weather	161,260	181,572	112.60	48.66
Workmen's compensation	87,443	22,542	25.78	12.29

*Ratio of losses incurred including adjustment expenses to earned premiums.

Bank of Canada Assets Higher

Gain Mostly in Miscellaneous Items — Note Circulation at New High

A reduction of about $9.1 millions in total investments is shown in the statement of the Bank of Canada for the week ended April 16. This decline in assets was more than offset by an increase of $2.2 millions in holdings of sterling and United States exchange and of $10.6 millions in all other assets, including cheques on other banks not yet cleared. Some of these cheques would probably be from chartered banks in payment for securities sold by the Bank of Canada. The net result was a gain of $3.8 millions in total assets.

Changes on the liability side included a drop in deposits of the Dominion Government, and of the chartered banks, while other deposits including those of other central banks were higher.

Reflecting further improvement in business, notes in circulation expanded $2.9 millions to $375.7 millions, a new high record.

Liabilities	Apr. 16 1941 $	Apr. 9 1931 $
Capital paid-up	5,000,000	5,000,000
Notes in circ.	375,725,879	372,844,492
Rest fund	3,722,910	3,722,910
Depos.: Dominion.	8,978,587	12,279,432
Bank	217,869,459	228,844,020
Other	16,778,629	3,950,655
Total deposits	243,626,675	245,074,107
All other liabs.	7,747,802	5,381,955
Total liabs.	635,823,266	632,023,464
Assets		
In sterl. & U. S.	105,023,766	102,823,737
Subsid. coin	837,607	837,020
Investments:		
Dom. gov. short.	391,254,660	401,293,172
Other Dom. gov.	116,714,673	115,732,876
Total invest.	507,969,333	517,026,048
Premises	1,717,693	1,712,940
All other assets	20,274,867	9,629,719
	635,823,266	632,023,464

Obituaries

Colonel E. M. Renouf, founder Renouf Publishing Co., Montreal, vice-president and director La Prairie Press Co., Cooksville Co., Interprovincial Brick Co., Bruck Silk Mills Ltd., aged 80, at Montreal.

J. J. Grozelle, manager Canada Life Assurance Co. at Vancouver, aged 45 at Vancouver.

M. G. Flick, former owner Imperial Glass Works, Toronto, aged 64, at Toronto.

NEW SUPERVISOR

S. A. Duke, for some years assistant supervisor of Ontario branches, has been appointed supervisor, the Royal Bank of Canada announces. B. L. Mitchell, who has occupied the combined office of assistant general manager and supervisor, will continue as the bank's chief representative in Ontario, with headquarters in Toronto. Mr. Duke began banking in 1904 with the Traders Bank at Grand Valley, Ont. He was attached to a number of branches, and following amalgamation of the Traders and the Royal in 1912 he was appointed manager at Harriston. Since 1915 he has served as manager in Brandon, Sherbrooke, Windsor and Toronto, and in 1929 was appointed assistant supervisor at Toronto.

Insurance Notes

The Canada Life Assurance Co. announces that Vernon C. Hale, manager of its Central Ontario branch and Trevor Hawgood, manager Central Toronto branch, are joint winners of the President's Award for 1940. This award is based on factors reflecting every important phase of agency management and is the highest honor a Canada Life manager on this continent can earn.

Both branches found themselves tied in the competition for the President's Award. Mr. Hale has been manager of the company's oldest branch since Sept., 1938, when he succeeded his father the late Homer J. Hale. Mr. Hawgood organized the Central Toronto branch in 1935 when he came to Toronto from the Canada Life branch in Winnipeg where he had been manager for six years.

• • •

Kenneth C. Wilson has been appointed manager of the Western Ontario agencies of the Northern Life Assurance Co. Mr. Wilson was formerly manager of the Windsor agency of the Northern Life. He will be succeeded in that office by Albert Baker.

• • •

The Great West Life Assurance Co. reports an increase in sales in each of the first three months of 1941 compared with the previous year. Of the 37 branches, increases for the quarter over 1940 were shown by 18.

• • •

At the annual meeting of the Canadian Inland Underwriters Association, it was declared desirable to revise the personal property floater policy forms right across Canada. Uniformity in all provinces is the ultimate objective, according to Wilson E. McLean, secretary-treasurer and manager of the association.

The pick-up endorsement is causing considerable trouble, it is stated. This endorsement is the clause added to a personal property floater insurance policy, where there is other insurance in existence covering the property.

At present the various underwriters' organizations and even some companies have their own policy and endorsement forms which cause confusion.

A committee is to be appointed to study these forms and it will bring in to the Association suggestions as to how to bring about greater uniformity.

• • •

The Actuarial Society of America will hold its annual meeting this year in New York May 15 and 16. Canadians on the executive are:

H. H. WOLFENDEN, consulting actuary of Toronto, vice-president.

J. D. BUCHANAN, assistant general manager and actuary, The London Life Insurance Co., London, Canada, member of council.

G. W. BOURKE, actuary Sun Life Assurance Co., Montreal, member of council.

Weekly Bank Clearings

	Apr. 17 1941 $	Change Year Ago %	Apr. 10 1941 $
Halifax	2,784,331	—8.0	3,167,288
Saint John	1,974,970	—12.8	2,270,749
Moncton	769,344	—6.6	786,856
Sherbrooke	823,012	+12.2	830,923
Quebec	3,976,834	—15.7	4,620,561
Montreal	87,229,936	—17.0	89,159,512
Ottawa	35,756,470	+76.0	60,732,897
Kingston	570,246	+0.4	670,516
Peterborough	596,181	+1.3	605,525
Toronto	84,966,775	—22.5	97,636,881
Hamilton	5,610,938	—15.6	5,976,574
Kitchener	1,016,584	—3.8	967,439
Brantford	881,381	+2.9	905,069
London	2,238,579	—12.1	2,318,135
Chatham	589,176	—4.6	625,210
Windsor	3,272,924	+18.9	3,110,519
Sarnia	445,703	+6.0	488,515
Sudbury	847,404	—0.5	992,035
Fort William	909,934	+46.1	903,583
Winnipeg	24,023,492	—14.2	31,230,561
Brandon	305,606	+3.6	325,157
Regina	3,834,639	+19.4	3,981,348
Moose Jaw	532,297	—4.6	572,135
Saskatoon	1,261,622	—4.1	1,253,178
Prince Albert	302,691	—3.6	371,332
Edmonton	4,254,797	+14.9	4,422,385
Calgary	4,944,381	+21.3	6,204,641
Lethbridge	506,981	+5.1	578,437
Medicine Hat	259,836	—4.2	367,954
N. W'minster	582,087	+1.2	796,623
Vancouver	13,199,122	—18.7	18,365,233
Victoria	1,489,874	—15.5	1,845,356

Staff Changes

The Royal Bank of Canada announces the following staff changes:

L. A. BENSON, accountant, Vancouver, to be manager, Victoria West, B.C.

J. A. P. TESSIER, manager, La Salle, Que., to be manager, Place Viger, Montreal.

L. G. BERRY, supervisor's department, Vancouver, to be accountant, Victoria, B.C.

G. H. BUTLER to be accountant, Vancouver.

J. H. CORNISH to be accountant, New Westminster, B.C.

D. W. G. STEWART, accountant, New Westminster, B.C., to be accountant, Robson St., Vancouver.

G. LA MOTHE, manager, Place Viger, Montreal, retired on pension.

The Bank of Nova Scotia announces the following staff changes:

M. D. McDONALD to be manager at Queen & Lansdowne, Toronto.

Life Insurance

Life Insurance Sales Higher

Gain Over Last Year Shown in All Provinces Alberta Up 26%

Sales of ordinary life insurance in Canada and Newfoundland, in March, showed an increase of 11.3% over the same month of 1940. This is the first time, since July last year, that Canadian life insurance sales have been larger than in the corresponding month of the previous year. All provinces contributed to the increase, Newfoundland only showing decline.

The largest per cent increase was 26.4 in Alberta, closely followed by 26.1% in Prince Edward Island. Ontario was up 12.5% and Quebec 7.2%.

The decline in Newfoundland was 1.9%.

The figures are released by the Life Insurance Sales Research Bureau and include new settled ordinary insurance only. They are based on reports of 18 companies representing 85% of the total business in Canada and Newfoundland.

Life Insurance Sales in Canada and Newfoundland

	—March— 000's of $ 1941	1940	Change %
Alberta	1,449	1,146	+26.4
Brit. Columbia	2,300	2,112	+8.9
Manitoba	1,943	1,758	+10.5
New Brunswick	931	809	+15.0
Nova Scotia	1,250	1,061	+17.8
Ontario	15,213	13,505	+12.5
Prince Ed. Island	164	130	+26.1
Quebec	9,302	8,673	+7.2
Saskatchewan	788	704	+11.9
Newfoundland	360	367	—1.9
	33,700	30,265	+11.3

Sales by Months, 1938-1941 (000's of $)

	1938	1939	1940	1941
Jan.	31,287	28,767	33,726	28,326
Feb.	31,796	29,202	31,820	31,500
Mar.	33,461	31,710	30,265	33,700
Apr.	30,612	26,357	32,248	....
May	31,016	30,123	31,779	....
June	35,660	32,226	28,530	....
July	30,635	20,902	28,159	....
Aug.	28,446	26,494	24,693	....
Sept.	27,928	34,262	26,156	....
Oct.	32,372	31,900	31,210	....
Nov.	37,167	33,034	32,899	....
Dec.	36,475	34,759	3?,727	....
Totals	386,855	368,726	365,217	....

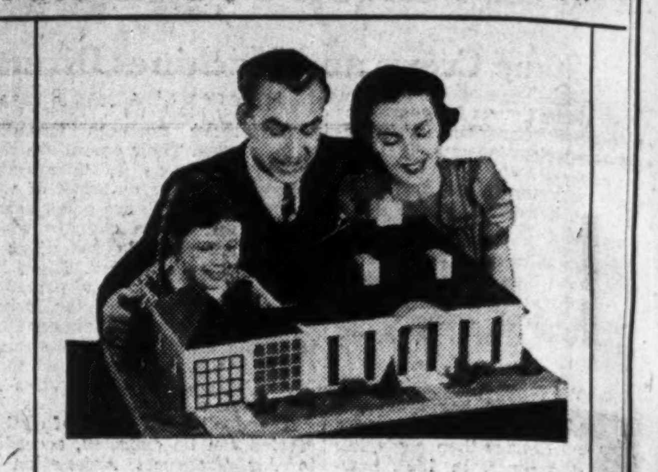
Insurance Problems

Lloyd's

Are Lloyd's Underwriters a satisfactory concern for me to insure my property with? I am a resident of New Brunswick and they do business here.

Non-Marine Underwriters at Lloyd's is the organization doing business in this country. They are licensed by a number of the provinces including New Brunswick. This being the case, their operations are subject to the supervision and regulation of the Superintendents of Insurance in the provinces where they operate. Some time ago a fund of over $6 millions was established here for the protection of Canadian policyholders.

We have heard of no complaints of the way in which they conduct their business or settle their claims.

1871 • 70 Years of Security to Policyowners • 1941

Build Your House Upon a Rock
MEN are looking thoughtfully into the future . . . planning not only for their families' welfare but for their own.
The more they look into the future, the more they realize that Life Insurance is the safest and soundest way to set up an adequate estate for present protection and future needs.
That explains why more families are protected by Confederation Life policies than ever before.
Before You Insure Consult
Confederation Life Association
HEAD OFFICE TORONTO

THE DOMINION LIFE ASSURANCE COMPANY
SECURITY
The symbol of service and shield of protection respected by policyholders.
ESTABLISHED 1889 — HEAD OFFICE — WATERLOO ONTARIO

BRANCH OFFICES FROM COAST TO COAST
The EXCELSIOR INSURANCE LIFE COMPANY
A STRONG CANADIAN COMPANY

AINSWORTH MAGNA LUMINAIRES

THE NEAREST THING TO NATURE'S LIGHT
A revolution has been quietly going on throughout this continent. More and more leading firms have been changing over to the **restful, plentiful** lighting which is designed to help busy eyes which must work indoors. The revolution began when George Ainsworth, internationally-known illumination engineer, developed a lighting unit which was intended to help **seeing**—and **not** to be admired as a piece of pretty "furnishings."
The Ainsworth Magna Luminaire has a special **soft-lite** bowl, a **silver-satin** hanger. It is scientifically designed to blend inconspicuously with the ceiling—to eliminate distracting highlights and shadows — to provide **the closest approach to Nature's lighting yet produced.** If you are thinking in terms of modern lighting, be sure to ask us for the complete story of this revolutionary lighting unit which "brings Nature's light indoors!"
Amalgamated Electric Corporation Limited, Toronto and Montreal. Western Divisions: Langley Electric Manufacturing Co. Limited, Winnipeg; Langley Electrical Co. Limited, Calgary; Langley Manufacturing Co. Limited, Vancouver.
AMALGAMATED ELECTRIC CORPORATION LIMITED

THE FINANCIAL POST

Largest Circulation of All Canadian Financial Papers

Vol. XXXV | Member of Audit Bureau of Circulations | PUBLICATION OFFICE: TORONTO, APRIL 26, 1941 | 10c a Copy: $5.00 a Year | No. 17

Let's Make This Our Biggest Tourist Year

Here's How You Can Help This Vital War Effort

By KENNETH R. WILSON

Staff Writer, The Financial Post

There is a simple but important way in which you or your community can help to win the war.

In essence, it is this: Bring U. S. tourists to Canada in 1941.

Last year the average U. S. visitor brought with him to Canada nine war-welcome U. S. dollars. Canada badly needs these dollars. They are needed to help pay for airplane engines, machine tools, steel and other vital war materials which Canada must buy from the United States.

Up to now our U. S. purchases have run around $850 millions annually. Most of this money is being spent for vital war material. Per annum this is $500 millions more than we were paying out two years ago.

Our own increasing sales to the U. S. have of course helped to provide U. S. dollars with which to meet these bills. Under the new King-Roosevelt agreement, the U. S. is to do much of its defense buying in Canada, sharply stepping up our U. S. dollar credits, and U. S. parts for Canadian-made British supplies are to be provided under Lease-Lend.

This will vastly ease Canada's problem of balancing accounts with the U. S. But it does not dull the need for swelling the inflow of U. S. dollars by every means possible, and building up our exchange credits in the U. S.

That is where tourism looms large.

The American tourist trade is one of our biggest potential sources of new U. S. funds.

Aids War Effort

Boosting this trade is an easy and profitable way of making a contribution to the war effort. By encouraging Americans to come and have a good time in friendly Canada, we help fight Nazism. As well, we do ourselves a good turn by stimulating business at home and by promoting better understanding between the two nations. One of the most insistent and essential war jobs which Canada must be responsible for is to break down misunderstanding and ignorance among U. S. citizens. Every time a U. S. visitor comes to Canada we have a unique opportunity to talk in a friendly way to a "good neighbor."

It is a matter of simple arithmetic that any community or group in Canada that can influence even a few Americans to visit Canada for as much as a day is performing an important war service—a service which is mutually profitable to ourselves and to our visitors. A few figures will help to dramatize this point.

A moderate-sized airplane engine such as Canada has been importing in quantity costs, say, $4,500. Smaller engines for our primary trainers cost $1,500 to $2,000. Two hundred American visitors spending $10 each would bring enough U. S. dollars to enable Canada to pay for a primary engine.

Even last year (which was not a good tourist year) some 13.6 million U. S. visitors were guests of Canada. By making a concerted national effort—an effort that is well organized at the top and which works through to every community and every citizen—this number can readily be increased. For example: By merchandising its attractions, one single U. S. state (California) took in last year alone over $183 millions of tourist dollars. This was $55 millions more than was spent in 1940 by U. S. tourists in the whole of Canada.

Good merchandising of Canada's tourist attractions can increase OUR tourist flow. And when our U. S. visitors do come they can readily be persuaded to spend much more than $9 per capita if we provide suitable merchandise, entertainment and other attractions which catch their fancy.

The average tourist expenditure in California last year was said to be more than $100 per person. If we could modestly aim to get each U. S. guest to spend even an extra $2 or $3 in Canada, that extra money would pay for 6,000 to 9,000 medium-priced airplane engines.

Three Essentials

How then can we boost our tourist trade?

Essentially, the problem is not very different to any important merchandising or sales job. Three essentials are: Good product, good management, good salesmen.

No country in the world has better natural material for a good tourist product than Canada. And this year there is better "management" of Canada's tourist trade than at any previous time in our history.

To make this combination really effective means a nation-wide job of salesmanship. It means the support of each citizen, of each community. If you want to help personally, find out what group or groups in your community are actively at work on this problem.. If your community is on its tourist toes (and you will be surprised how many are) you will discover a score of ways in which you may help. If your community has not yet got busy there is perhaps an opportunity for you to make sure that something is done, and quickly, before vacation plans and summer programmes are too far advanced.

One simple example will illustrate the point: Letter writing.

Already this year the Montreal Rotary Club has written 3,000 individual Rotary Clubs in the United States. Scores of service clubs, high schools and women's groups in all parts of Canada are doing similar work. The cumulative effect of these personal messages of goodwill and hospitality is very substantial.

Direct Contact

Alert Rotarians in Toronto "ganged up" on a big District Convention and were able to bring it to Canada for the first week in May. The shift in venue from a U. S. meeting place is an acknowledged attempt to help Canada's war effort and establish more friendly relations. As well, Toronto Rotarians are pledged to contact personally an "opposite number" in the U. S. and "underwrite" his visit to Canada. About 1,600 U. S. delegates are expected to attend. They will help us pay for at least 40 or 50 trainer engines.

Another simple, effective approach is for storekeepers to give their staffs special training in helping tourists; find out what things made in Canada appeal particularly to them and display them attractively. This means more profit for the merchant and more U. S. dollars for the war effort.

The need and opportunity for further extension of Canadian handicrafts—the making available of merchandise of a peculiarly "Canadian" character, is one of the big untapped areas of Canada's tourist trade. Much preparatory work has been done along these lines but the big development, the sort of programme which would boost tourist expenditure by perhaps $50 or $100 millions for this source alone, still remains untouched.

Six years ago Canada had no effective organization to promote tourism on a national basis. In 1935 the Canadian Travel Bureau was formed as a result of a Senate enquiry instituted by Hon. W. H. Dennis, of Halifax. For the first time Canada boasted an organization definitely charged with fostering and developing tourist trade.

Today that organization, under the direction of D. Leo. Dolan, is doing the biggest job in its history. It has a $500,000 appropriation to spend on tourist literature and on radio, film and newspaper publicity. Through a national co-ordinating committee it is co-operating with provincial tourist bureaus, national parks, the Foreign Exchange Control Board and with transportation companies and other organizations vitally interested in the tourist business.

At a national conference held last October, responsibility for various types of tourist effort and promotion was assigned. The whole problem was reviewed and a serious attempt made to eliminate overlapping and attain the utmost co-operation and coordination.

An example of the smart ads some of the provinces are using.

For example, community tourist effort was agreed upon as a provincial responsibility. As a result, Ontario (which has increased its tourist appropriation fourfold for 1941) is staging the most dramatic and successful programme of provincial-municipal tourist promotion ever attempted in this country.

Complacency Rife

One difficulty with tourism in Canada in the past has been complacency. Canadians have been appallingly complacent about their tourist trade. While go-getter states across the border have run the whole gamut of super-salesmanship to sell their wares, most Canadians have kidded themselves into believing that all we needed to do was raise an American flag over a hot-dog stand and let our great scenic attractions do the rest.

Partly we have been lulled into complacency by greatly exaggerated official figures of the value of the Canadian tourist trade. For years these figures have created the impression that without raising many fingers we could depend on $250 or $300 millions of new tourist money pouring in across our borders each year. New studies just completed a few weeks ago show these estimates to have been an almost 100% exaggeration.

It took a war to shake this complacency. The Foreign Exchange Control Board, for example, charged with husbanding Canada's foreign exchange resources became vitally interested. So did scores of voluntary groups, service clubs and other organizations who sensed a need and opportunity to help along the war effort.

Perhaps no single area in Canada has ever attempted anything quite like the campaign being carried on under direction of Douglas R. Oliver, director of the Ontario Travel and Publicity Bureau. Backed by a $300,000 appropriation (the figure for 1940 was $86,000) the programme has two important aspects. First, the province itself is sponsoring extensive publicity, fish and photograph contests, radio programmes, etc. Next, the province is trying to help each community to help itself. It says to cities, towns and villages, "We'll get them here; you entertain them."

Brisk Activity

As a result, things are happening all up and down the province. "Old Home Weeks" are springing up like mushrooms. The appeal, of course, will be to tens of thousands of Canadians now living in the United States to come back and visit the old home town this summer or fall. Toronto is planning a "Back-to-Toronto" Week at the time of its big Canadian National Exhibition. Simcoe County is uniting for this purpose.

Efforts to widen the scope of such plans to cover all of southern Ontario are evolving a programme to boost tourist trade with a series of Homecoming Weeks, organized in co-operation with the provincial tourist bureau.

Up at Midland another co-ordinating tourist body, the Huronia Tourist Development Association, is speeding plans for restoration of the famous shrine of the Jesuit Martyrs at Fort St. Marie on the shores of Georgian Bay. Big plans are also afoot for 1942 when a historical pageant will be staged in the open air with choir, symphony orchestra and so forth. Other historic points of interest are being restored and publicized: John Brown's house at Harper's Ferry near Chatham; the lovely Barnum house on the Toronto-Kingston highway.

In the Windsor area the Essex County Tourist Association has undertaken with considerable success a campaign to draw tourists to the district and develop attractions and facilities for their benefit. Last year's effort, the forerunner of a similar programme in 1941, included distribution of over 50,000 colored booklets stressing vacation highlights of Essex County and the simple regulations governing entry into Canada.

A front-line feature of the province's "get-them-here" programme is a 13-weeks radio variety show featuring Ned Sparks as master of ceremonies and going out through 51 stations of the Columbia network. The first show went on the air last Sunday and carried lots of earnest sales talk for "lovely Ontario."

Some of the advertising wrinkles which have been brought out to keep "lovely Ontario" before the American public do credit to Florida, California or other much publicized playgrounds. For example, in June, "Elsie," the famous Borden Company cow, is coming to spend two weeks in the province. Prior to that time newspaper advertisements (at no cost to the province) will tell people all over the United States that Elsie is packing her bag for a visit to "lovely Ontario."

Lowell Thomas is coming up several times during the summer and is being especially invited for the Quintuplets' birthday party at the end of May. Each of these visits will mean a good "plug" for the province on the daily Blue Sunoco newscast.

Community Support

Up to April 1 Ontario had received 30,000 tourist enquiries from the U. S. It was getting an excellent response also to its plan for making Crown lands available to U. S. residents for summer cottage sites. Twenty-five or thirty direct mail enquiries a day were reported.

Around this general publicity Ontario has made a big play to enlist the support of community and municipal officials and organizations. Regional meetings with municipal authorities have been held in many parts of the province, attended usually by the Premier and provincial tourist officials. Special printed lists of suggestions to municipalities have been prepared and every part of the province reports unusual local interest and enthusiasm. There is scarcely a community in areas where tourists normally travel that is not making some special attempt to provide what colorful Joe Curran of the Sault Daily Star calls "lure."

Mr. Curran argues editorially that each community must be prepared to give tourists an excuse to visit it. There must be entertainment or inducement to keep the visitor "hanging around for a week, or two weeks." He says:

> "Getting a man or a family to go somewhere is less important than an effort to make him stay for a while. The visitor that is here today and gone tomorrow is better than none at all. But not much better.
>
> "Little Huntsville gets winter visitors because live Mayor Kelly runs ski carnivals, etc.
>
> "Grove City, Pa., has a dentist who can sing. He organized a community choir that sings on the court house lawn once a week. It's so good people drive in 200 miles to hear it.
>
> "A town in Michigan has a Cherry Pie Week with trimmings. Another one claims its Smelt Week brought 12,000 visitors.
>
> "Toronto lures a million visitors by its Exhibition which is designed solely to keep visitors from getting bored from wondering what to do next.
>
> "The Sault's Wolf Week of eight years ago brought in 6,000 visistors in the worst year of the recent depression."

Another big point in community effort is the need for a big-time cleanup campaign in and about most municipalities. It is no secret that a big proportion of the accommodation and facilities being offered to tourists in Canada is away below par. They are away below what they could be if civic pride were put to work on a commonsense "good host" basis.

Americans don't want a cheap imitation of their own home town. The chances are they came to Canada expecting something different, something characteristically "Canadian." To give them this requires imagination and individual initiative. It also requires a strong and alert civic consciousness of what constitutes a proper local tourist appeal.

Quebec Plans

The historic romantic province of Quebec is also making a big effort to make 1941 a banner tourist year. The provincial programme is under the direction of Maurice Hebert, director of "La Province de Quebec Tourist Bureau." Right away the visitor senses something different, something unique in Canada's "Old World Vacationland."

Tourist appropriations have been greatly enlarged and as well as extensive advertising in the U.S.A., Canadians themselves are being urged to come and rediscover this famous and picturesque land. Says a descriptive folder:

> "Although a French province, Quebec is not like modern France. The shades of Cartier, Champlain, Frontenac, Talon, de Laval, Montcalm, Wolfe, and a host of other heroes of past centuries, still haunt and mellow town and countryside in this Old-World vacationland. Many a house they knew is still in everyday use. To visit Quebec for the first time is to stray into the Old World; into a land, however, refreshingly touched by modernity, too.
>
> "Good highways exist throughout the province, even in remote districts, winding through quaint villages, by wayside shrines and monuments, old houses, manoirs and churches, which never fail to excite the delight and wonder of the tourist.
>
> "The courtesy and hospitality of Quebec people to visitors give a new zest to travel for Ontario holiday makers; quaint customs, handicrafts, folklore, combine with a romantic background, reminiscent of Normandy and Brittany, to make a vacation in Quebec something to remember with delight for years."

Canada's central provinces are not alone in putting special emphasis on the tourist appeal. British Columbia has long had a well-established tourist bureau which is well supported by local and community efforts. The Maritime provinces have made a heavy investment in highways in recent years and are now reaping their reward in increased traffic.

Just recently Alberta officials held a tourist conference in Edmonton to co-ordinate tourist activities, improve services to visiting motorists and reap the most benefit from natural scenic attractions. The province is planning distribution of 85,000 booklets this year. Last year about 50,000 were distributed. Out of the conference came a plan for a provincial tourist council, a step which all provinces might take with benefit.

Manitoba has been slow in organizing an effective provincial effort but one of the most successful voluntary organizations in Canada is the Young Men's Section of the Winnipeg Board of Trade which last year received wide commendation for the success which attended its organized tourist sales effort.

Missionary Work

Personal missionary work among influential American citizens, newspaper writers, radio commentators, has not been overlooked. Last summer a group of weekly newspaper editors from neighboring U.S. states were the guests of the Ontario Division, Canadian Weekly Newspapers Association. They toured provincial highspots for several days and on their return wrote scores of columns of valuable publicity about the province and its attractions. Similar tours are being arranged by several provinces this year.

Many Americans themselves have undertaken personal responsibility in this regard. S. B. Terry, of New York City, has done a great deal to improve relations between the countries and clear up any misunderstandings which might have an adverse effect on Canada-U. S. relations. Much of his material has appeared in the American press, in house organs, and in broadcasts.

"Cy" Peterman, of the Philadelphia Enquirer, spent some weeks in Canada and on his return wrote twelve articles, each one five to six columns in length, one of which dealt entirely with the tourist business. Franklin Moore, president, American Hotel Association, recently addressed a letter to members, urging Americans to visit Canada. Elmer Jenkins, manager, National Touring Bureau, American Automobile Association, wrote all A.A.A. motor magazines, clearing up misunderstandings about entry into Canada and urging Americans to "go to Canada this year as usual."

Personal Help

Many individual Canadians have also done important work. Brooke Claxton, M.P. of Montreal—one of the few members of Parliament who has taken a personal interest in the tourist trade—has given two nation-wide broadcasts "Welcome to Canada," April 9 and 16. They were full of commonsense suggestions on the hows and whys of tourist trade in wartime.

Canadian companies of course play an important part in this programme. Every one of the famed Imperial Oil hockey broadcasts which went over the air was a big boost for Canada as a tourist mecca. Labatt's radio programme, "International House Party," is built on the idea of friendly camaraderie between the two countries.

Scores of companies with American shareholders use their quarterly dividend cheques as an opportunity to urge tourist travel in Canada. Any company wishing to do this may obtain a neat enclosure prepared specially for this purpose by the Canadian Travel Bureau. Robert Stanley, chairman and president of the International Nickel Co. of Canada, addressed a personal message to his U. S. shareholders a few weeks ago, urging them to come and vacation in Canada.

Canada is advertising its attractions extensively in the U. S.

"Britain Delivers the Goods"

and still continues to produce fine woollens, despite heavy enemy action.

An exceptionally fine assortment of worsteds and tweeds for Spring wear have now arrived. May we have the pleasure of showing you these fabrics.

Levy Bros.

69 KING STREET WEST, TORONTO

When Visiting TORONTO Stay at the King Edward Hotel

1000 Rooms with Bath

Rates as low as $3.00 Per Person

P. KIRBY HUNT, Manager

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TRAINED PEOPLE FIRST IN DEMAND

Enrol NOW

Stimulated by the Empire's War needs, in production and services, causing transfer of personnel, openings for competent office help are increasing rapidly. For well trained, proficient Stenographers, Accountants, Bookkeepers, Secretaries, well-paid employment is in store. Enrol now for a business course by Correspondence.

LEARN SHORTHAND AND TYPEWRITING AT HOME

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Groundwood Pulp — News Sulphite Pulp

High Grade Bleached Sulphite Pulp

Remember in your future plans

That all who appreciate finer living at moderate cost invariably select the Prince Edward because its location in the heart of Windsor, its service, appointments and atmosphere are all that could be desired.

SINGLE ROOMS from $2.50 — DOUBLE ROOMS from $4.50

Large Sample Rooms

Air Conditioned Arcady Coffee Shop and Empire Dining Room

V. G. Cardy, President — H. A. Peters, Jr., Manager

PRINCE EDWARD HOTEL

WINDSOR, ONTARIO

"The British Empire's Largest Automotive Centre"

Pulp & Paper

Sees Stability in Pulp Prices

Converting Mills Face Problem Of Rising Cost of Supplies Soon

By JOHN E. LANGDON
Staff Writer, The Financial Post

NEW YORK.—Supplies of pulp and paper for the American market, largest outlet for Canadian products, are expected to be adequate for all needs. Certain grades of chemical pulp may not be overly plentiful, but on the whole no serious shortage is anticipated.

While demand is expected to hold up well, there is no indication at this time of a rise in prices. Certain factors may lead to a price increase for pulps, but there are contrary factors working the other way.

The trend of pulp supplies and prices is by all odds the chief point of interest of the American market just now. Talks with publishers, importers and trade association officials all support the conclusion that no major change in contract prices is looming for this year.

Before the Scandinavian mills were cut off from the market, American importers bought heavily. They also purchased as much as they could from Canada. These supplies were bought at a low price.

Converting Mills Problem

Up to date the converting mills have been using the low cost imported pulp. The higher cost domestic pulp has not been used to any great extent. The imported pulp supply is almost exhausted and the converting mills shortly face the prospect of starting to use their higher cost domestic and Canadian pulps.

The price of the finished product of these converting mills has been held down because of the competition from the self-contained converting mills—mills having their own pulp supply. Competition has been keen and the converting mills have been able to maintain their position only through the use of low cost pulp reserves.

Face High Cost

Within the next few months the converting mills face the problem of what to do when they start using domestic supplies of higher cost pulps. If they raise the price of the finished product they lose out to the self-contained mills. The latter seemingly are content to hold the price where it is, as it greatly strengthens their competitive position.

The pulp mills have their own troubles for they are faced with rising costs for labor, pulpwood and other materials. They want to get a better price for their product. However, they cannot raise the price of pulp if the additional cost cannot be passed along to the consumer by the converting mill.

Hurdle to Overcome

An advance in pulp prices might possibly put some of the higher cost converting mills out of business. Yet if the contract price of pulp is maintained against rising costs, then the pulp manufacturer will have to carry the load so as to permit converting mills to remain in a competitive position with the self-contained mills.

How to get around this situation is one of the bigger problems in the American pulp and paper industry. The demand for finished goods is there, but it is all a question of being able to adjust prices.

Prices Under Control

Incidental to this problem is the attitude taken by Leon Henderson, head of the Office of Price Administration and Civilian Supplies. Henderson has pointed out there is an estimated surplus of paper capacity in the United States and Canada.

Representatives of the pulp and paper manufacturers have assured the O.P.A. the industry would co-operate in the effort to maintain price stability. "Such co-operation," says Mr. Henderson, "should make it unnecessary for the Price Administration to take more direct measures to guard against price spiralling in the pulp and paper industry."

With this threat of Government control overhanging the industry, there is an inclination on the part of pulp manufacturers to maintain the contract price schedule unchanged.

Look to Canada

The American market is confidently pinning considerable hope on Canadian pulp sources. There is a ready market for all the pulp Canada can produce.

It is realized Canadian sources have not been tapped to the full. Before that is done, it is said, Canadian mills must take steps to improve the quality of pulp manufactured. In particular there is need for more equipment for drying pulp.

Newsprint Situation Sound

For the first time in years there is relatively little interest in Canadian newsprint. This lack of interest is due to the fact American publishers are satisfied with the way the policy of the Canadian manufacturers is working out. When the war started the mills decided on price stability and newsprint is one of the few major commodities which has not advanced in price.

This concrete evidence of goodwill by the Canadian manufacturers toward the American publishers has done much to break down the old feeling of complaint.

Show More Co-operation

The situation further has been helped by the greater degree of co-operation shown by the publishers. The American Newspaper Publishers Association has been particularly active in working for a better understanding. It has urged the publishers to estimate their requirements closely, spread deliveries evenly throughout the year and in other ways has been helpful not only to its own members but also to the newsprint manufacturers.

No unusual change is foreseen in the American newsprint situation this year. The U. S. publishers, who normally take over 80% of the total Canadian output, are confident North American supplies will be more than sufficient to take care of their needs.

The feeling exists also there will be no material change in the price of newsprint. This depends, of course, upon the relationship between the U. S. and Canadian dollar. Any move to establish parity between the two currencies would have an immediate effect on the price of newsprint.

Expect Good Demand

On the whole the American pulp and paper industry looks for a relatively moderate rise in consumption this year. In particular there should be a good demand for sulphate pulp and its products.

The activity resulting from the U. S. national defense programme should stimulate the demand for all types of pulp and paper products, though sales are likely to be spotty in some areas — and not evenly spread throughout the country.

Pulp Firms Now Under Strike Act

From Our Own Correspondent

MONTREAL.—Because of important aid the pulp and paper industry gives the war effort, by bringing $240 millions a year in U. S. funds into Canada, the industry has been brought under the Industrial Disputes Investigation Act. This means that strikes are barred until after disputes have been dealt with by boards of conciliation.

An order-in-council passed shortly after the outbreak of war extended operation of the Industrial Disputes law to war industries and others deemed essential to the war effort.

M. & O. Paper Net $781,232

5% Interest For 1940 To Be Paid May 1 This Year

Minnesota and Ontario Paper Co. reports net income, after payment of bond interest and excluding European companies and National Pole and Treating Co., for 1940 of $781,232. Net income before bond interest, but after depreciation and depletion charges of $1.4 million, was $1,391,232.

Interest on the new income mortgage bonds for 1940 was $610,000. Official notice has just been given that this interest is payable May 1, 1941, at 5% on the new income bonds. Canadians can collect their interest at any branch of the Dominion Bank in Canada.

Net sales last year totalled $17.6 millions and cost of sales was $14.1 millions, leaving a gross profit on sales of $3.5 millions.

Sales Gain

Net sales in 1939 were $14.8 millions, indicating a gain of $2.8 millions last year. Net income for 1939 after selling, administrative and general expenses and including other income, but before depletion and depreciation or interest, was $2.1 million.

R. H. M. Robinson, president, reports that the books are being audited as of close of business on Feb. 28, 1941, date of transfer of properties from the old company to the present one.

Outlines Aid To War Effort

Pulp and Paper Industry Providing Personnel for War Plants

From Our Own Correspondent

MONTREAL. — Skilled workers and technicians of the pulp and paper industry are rendering important assistance to war industries, according to officials of the Canadian Pulp and Paper Association.

The industry has mobilized its workers and is using machine shop facilities for maintenance of the company's own equipment as well as manufacture of smaller parts and assemblies for large machinery units. Numerous technically trained workers have been released to expand war industries. Training schools have been established to train skilled workers for general mill staffs to replace those released for war industries.

These activities are planned so that there shall be no impairment of the support the pulp and paper industry is contributing to the war economy of Canada, from the inflow of foreign exchange from exports of pulp and paper. The Association states that $240 millions came into Canada from this source in 1940.

Effectiveness of these measures springs from careful planning and sound organization of the industry, according to the Pulp and Paper Association. It is pointed out that any member of the Association can be reached through the central organization at any time.

Recently transfer of a large number of skilled workers of war industry was accomplished in brief order without any dislocation of pulp and paper mill operations. This is made possible by the broad programme the pulp and paper industry had initiated. None of these activities represent profits to the pulp and paper companies, it is pointed out.

Dominion Containers Pays Serial Bonds

Dominion Containers Ltd. reports that its outstanding 5% first mortgage serial bonds have been reduced to $150,000, as at April 1, 1941. These bonds mature $25,000 annually up to 1946. The company, with head office in Montreal, controls several paper box concerns.

Company Reports

Winnipeg Electric

Gross operating earnings of Winnipeg Electric Co. in 1940 totalled $7.3 millions, compared with $6.9 millions in the previous year.

Net income, before interest on the Series B bonds and before taking into consideration Dominion income tax, was $363,896. In 1939 net income, before providing interest on the B bonds, was $458,032.

Depreciation provision of $1.6 million was made in 1940, against $1.2 million in 1939. Depreciation provision was $300,000 more than provided for in the plan of consolidation and readjustment for determination of available income for the series B bonds. The amount is still less than if based on rates recognized by the Municipal and Public Utility Board of Manitoba.

Net working capital amounted to $2.6 millions at Dec. 31, 1940, against $1.5 million at the end of the preceding year.

Cons. Income and Surplus Account
Years Ended Dec. 31

	1940	1939
	$	$
Gross oper. earns.	7,303,236	6,906,548
Less: Oper. exps.	3,601,930	3,425,621
Add: Misc. income	44,352	17,829
Gross income	3,745,658	3,498,756
Less: Depreciation	1,565,468	1,194,486
Bond interest	1,220,330	1,255,330
Other interest	38,414	39,230
Taxes	537,678	529,792
Amort. bd. disc., etc.	15,236	6,717
Other inc. deduct.	4,636	15,169
Net income*	363,896	458,032
Add: Prev. surplus	869,247	656,325
Less: Series B int.	283,469	245,110
Surplus forward	949,674	869,247

*Before providing interest on series B bonds for 1939; purchase of contingent certificates and Dominion income tax for 1939.

Working Capital

	$	$
Current assets	4,286,571	3,101,614
Current liabilities	1,710,156	1,615,128
Working capital	2,576,415	1,486,486

Balance Sheet Changes

Cash	1,181,350	600,677
Sundry invests.	114,348	7,754
Call loans	650,000	300,000
Accts. rec. (net)	841,340	751,951
Accts. pay., etc.	731,758	584,295
Properties	74,545,764	76,331,999
Reserves	21,178,193	21,201,788
	53,367,571	55,130,211

United Securities

United Securities Ltd. reports gross revenue of $311,095 in the year ended March 31, 1941, against $373,088 in the previous fiscal year. Decrease of $57,504 was experienced in dividends received from Montreal Tramways Co. Net profits amounted to $53,945, against $87,987, equivalent to earnings on the common stock of $1.05 and $1.72.

Common stock of Montreal Tramways Co. held by United Securities Ltd. at March 31, 1941, had a book value of $6 millions. Bonds of Canadian Light & Power Co. held by United Securities were shown at $1.2 millions, while common stock of Canadian Light was valued at $781,912. Total investments at the end of the year amounted to $9.2 millions, while market value was $3.3 millions. At the close of the previous fiscal year book value of investments was $9.2 millions, at a market value of $4.3 millions.

Funded debt was reduced by $112,000 to $4.1 millions. Of this amount the company holds in its investment portfolio $792,000 par value of Series A and B bonds.

Following are comparative figures on income and surplus accounts for the past two years:

Income and Surplus Account
Years Ended Mar. 31

	1940	1939
	$	$
Invest. inc.	308,973	371,824
Misc. income	2,123	1,264
	311,096	373,088
Less: Gen. exps.	5,047	10,913
Bond interest	229,396	235,489
Exchange	20,650	18,699
Taxes	2,058	......
Income tax	......	20,000
Net profit & surp.	53,945	87,987
Add: Prev. surplus	32,529	69,542
Less: Invest. res.	......	125,000
Surplus forward	86,474	32,529

Sutton-Horsley

First annual report of Sutton-Horsley Co., Toronto, shows net loss of $675 for 1940, before allowing for income or excess profits taxes. For the first quarter of 1941, however, it earned net profit of $20,641, before taxes, 19 cents a share on the 102,605 no par common shares outstanding. Sales in the first quarter of this year were approximately treble those of all of 1940.

Caperton B. Horsley, president, states that 1940 was largely a development period. From the time the company moved to larger quarters in May a force of engineers, toolmakers, draftsmen and workers were trained. This took a longer period than at first expected and it was not until the last week of February this year, that the plant reached what Mr. Horsley terms "the satisfactory production figure of $20,000 per week." March shipments exceeded $84,000, or at an annual rate of about $1 million, he states.

There are $480,000 of orders on hand and assurance of receiving additional repeat orders. Mr. Horsley also states that there is a prospective export volume of about $800,000 which the company hopes to close in the next few months. It is also contemplating opening an American plant.

Balance sheet March 31 shows bank loans of $30,500, up $10,000 from the end of the year. There is also a special bank loan of $2,804 for machinery. The company makes precision and scientific instruments, particularly related to the X-ray, electrical and aircraft industries.

Income and Surplus Account
Periods From

	Jan. 1 1941 to Mar. 31 1941	Jan. 4 1940 to Dec. 31 1940
	$	$
Sales	149,164	56,160
Less: Cost of sales	123,209	54,711
Operating profit	25,955	1,449
Add: Royalty rev	......	285
Less: Advertising	730	1,695
Interest	1,284	110
Transfer costs	......	604
Prelim. exp.	3,300	......
Net profit	20,641	*675
Less: Prev deficit	675	......
Surp. fwd. (before tax)	19,966	*675

*Loss or deficit.

Working Capital

	Mar. 31 1941	Dec. 31 1940
	$	$
Current assets	196,265	137,067
Current liabilities	135,557	95,152
Working capital	60,708	41,915

Morrison Brass Corp.

Morrison Brass Corp's plant operated at capacity throughout 1940, according to J. L. McSweeney, president. Net profit of $27,626 is shown compared with a loss of $1,246 in 1939.

Mr. McSweeney reports that substantial additions to the company's plant were made, and completed in August. The shipbuilding programme created demand for marine goods. Sales last year were distributed as follows: Industrial manufactured goods, 40%; marine manufactured goods, 33%; merchandise, 27%.

The company has made application to be considered a depressed industry under the excess profits tax. The company has a large backlog of orders.

Consol. Income and Deficit Account
Years Ended Dec. 31

	1940	1939
	$	$
Operating profit	141,182	29,264
Less: Exec. sal., etc.	23,505	16,846
Bond interest	11,587	11,588
Gen. depreciation	24,842	......
Spec. depreciation	13,254	......
Bad debt prov.	25,492	3,000
Estimated taxes	14,875	1,000
Net profit	27,626	*1,246
Less: Prev. deficit	101,392	96,462
Tax adjustment	462	1,544
Bad debts w/o	7,720	......
Loss on equip.	6,765	......
Sundry adjust.	186	216
Deficit forward	88,899	101,392

*Deficit

Working Capital

	$	$
Current assets	682,693	555,728
Current liabilities	575,563	504,631
Working capital	107,130	51,097

Canadian Locomotive

Canadian Locomotive Co. reports net profit of $28,310 for 1940 after allowing for depreciation, bond interest and a special provision for contingencies of $150,000. The 1939 net was a loss of $147,880 after bond interest but without making any provision for depreciation and with no contingency provision. Excess profits tax provision has been made for 1940 at the minimum rate of 12%.

Last year the company delivered 23 locomotives and other business was satisfactory, states William Casey, president. The company is now manufacturing certain munitions, and shops have been extended. When the new departments are in operation, employment will be doubled.

Balance sheet reflects the better earnings last year. Bank loan of $140,000 at Dec. 31, 1939, has disappeared and cash on hand totals $429,373 compared with $240,627 a year ago. It is stated that sinking fund payments of $208,960 due on the company's 6% bonds to July 1, 1940, have not been made but non-payment does not constitute a default.

Income and Surplus Account
Years Ended Dec. 31

	1940	1939
	$	$
Operating profit	485,705	*43,004
Less: Directors' fees	1,650	1,275
Exec. salaries	54,583	40,501
Legal fees	413	412
Add: Other income	980	......
Net earnings	430,039	*85,192
Less: Depreciation	87,441	......
Bond interest	62,688	62,688
Prov. for conting.	150,000	......
Income & E. P. tax	101,600	......
Net profit	28,310	*147,880
Less: Prev. deficit	155,033	47,153
Add: Reserve w/b	......	40,000
Deficit forward	126,723	155,033

*Loss or deficit

Working Capital

	$	$
Current assets	1,142,376	1,127,250
Current liabilities	436,434	518,775
Working capital	705,942	608,475

Eastern Theatres Ltd.

Eastern Theatres Ltd., controlled by Famous Players Canadian Corp., reports net profit for 1940 of $9.88 a share on preferred shares compared with $8.38 for 1939. Last year dividends totalling $10.50 a share were paid on this stock. All the outstanding 7% preferred was redeemed at $110 and accrued dividends of $3.50 a share on Dec. 31, 1940. Public interest in the company is small as Famous Players owns 30,196 out of a total of 32,000 common shares outstanding. Eastern Theatres operates the Imperial theatre in Toronto.

Income and Surplus Account
52 Weeks Ended

	Dec. 26 1940	Dec. 28 1939
	$	$
Net earnings	92,566	71,644
Add: Int. on bds. & dep.	7,423	5,807
Less: Depreciation	20,092	24,892
Exec. sal. & legal fees	177	......
Income tax prov.	30,343	10,654
Net profit	49,377	41,905
Less appropriations: Pref. divds.	†52,500	35,000
Surplus for year	*3,123	6,905
Add: Prev. surplus	87,514	76,784
Prof. on sale of bds.	142	3,825
Prof. on sale of cap. assets	98	......
Less: Adj. inc. tax for prev. years	2,312	......
Adj. re deprec.	12,787	......
Prem., pref. stk. red.	50,000	......
Surplus forward	19,532	87,514

*Loss or deficit.
†One and one half years' provision.

Earnings per Share:

Preferred: Earned	$9.88	$8.38
Paid	7.00+3.50	7.00
Common: Earned	0.45	0.22
Paid	nil	nil

Working Capital

	$	$
Current assets	369,004	314,561
Current liabilities	53,407	13,077
Working capital	315,597	301,484

HOWEVER YOU TRAVEL... CARRY YOUR MONEY SAFELY

Canadian Pacific Express TRAVELLERS CHEQUES

THE ONTARIO PAPER COMPANY LIMITED

Mill and Head Office — Thorold, Ontario.

Together with its wholly owned subsidiary

Quebec North Shore Paper Company Limited

Head Office — 680 Sherbrooke St. W., Montreal, P.Q.

Mill at Baie Comeau, P.Q.

Manufacturers of Newsprint for

THE CHICAGO TRIBUNE

THE NEW YORK DAILY NEWS

A Good Name

For over 70 years the name Maclaren, in the Ottawa Valley, has stood for fair dealing and a quality product.

Newsprint—Groundwood

270,000 h.p. Hydro Power Installed capacity

MACLAREN POWER & PAPER COMPANY

Maclaren-Quebec Power Company

The James Maclaren Company Limited

BUCKINGHAM, QUEBEC

Shooting a Line —

"Shooting a line" colloquially is a pastime frequently indulged in where the proof of one's ability or reputation is somewhat obscure. The evidence of quality in "Office Specialty" products and service can be gauged by its survival through years, lean and fat, for more than half a century.

We *would* like to "shoot you a line" though, a *life-line*, that will guide and pull your business to safer grounds—promoting efficiency, inspiring office harmony and commanding a greater respect from your associates. A better filing system, a better filing cabinet, a better desk, a better office, —these are not "luxuries" but an investment that will PAY.

Makers of the Only Complete Line in Canada of FILING SYSTEMS and OFFICE EQUIPMENT

THE OFFICE SPECIALTY MFG. Co. LIMITED

Head Office and Factories — NEWMARKET, ONT.

Retail Branch Stores in Canadian Cities from Coast to Coast

To Readers of The Financial Post

YOU are Employers and Chief Executives of your respective businesses. You have already shown leadership in the War Savings Certificates Campaign.

Canada now calls upon you to maintain this leadership by encouraging your employees, and all others with whom you come into contact, to live up to their Pledges to buy War Savings Certificates.

Pledges are "for the duration". They should be so honoured. Canada must be assured of the continuous flow of the Nation's savings to carry on the war.

It is not sufficient for anyone to buy a few War Savings Certificates and then stop.

As a leader you have a clear responsibility. KEEP IT UP!

Published by the WAR SAVINGS COMMITTEE

OTTAWA

SYSTEMATIC SAVING BEST

Determine the amount of money you intend to save, and budget your controllable expenses accordingly. We'll help you. Open a Savings Account with us. Your money will be available at any time it is required. When you subscribe to a war purpose or a government loan, issue your cheque and keep within your budget.

CANADA PERMANENT
Mortgage Corporation
Head Office, 320 Bay St., Toronto
Assets Exceed $67,000,000.

Envelopes
for every purpose
Barber-Ellis
of Canada, Limited
TORONTO - BRANTFORD
BRANCHES FROM COAST TO COAST

Foundation Co. Gets Maclaren Contract

From Our Own Correspondent

MONTREAL.—Contract has been awarded Foundation Co. of Canada for construction of additional storage works for power production by Maclaren-Quebec Power Co., wholly owned subsidiary of Maclaren Power & Paper Co. Cost of the project is approximately $1.5 million.

Preliminary has commenced and contract is scheduled for completion by March, 1942.

Torrey Joins Board Anglo-Can. Telephone

From Our Own Correspondent

MONTREAL.—A. S. Torrey, director of W. C. Pitfield & Co., was elected to the board of Anglo-Canadian Telephone Co. at the annual meeting. Mr. Torrey succeeds the late Hon. Gordon W. Scott.

Estate problems need a competent executor

CANADA TRUST COMPANY

London, Toronto, Hamilton, Windsor, St. Thomas, Chatham, Winnipeg, Regina, Edmonton, Vancouver, Victoria

J. P. LANGLEY & CO.
C. P. ROBERTS, F. C. A.
Chartered Accountants
TORONTO
KIRKLAND LAKE
ONTARIO

O'Keefe's
is better for you
O'KEEFE'S BEVERAGES LIMITED

Your Investments

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3. Supply facts rather than opinions.

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1. Answer enquiries of non-subscribers.
2. Answer enquiries on foreign securities.
3. Reply by telephone or telegraph.
4. Select list of securities; express opinions; or make forecasts.

Three-cent stamp and address label from subscriber's copy of The Financial Post must be enclosed. Address letters to The Financial Post, 481 University Ave., Toronto 2.

Hiram Walker

As the holder of shares of Hiram Walker-Gooderham & Worts stock, I am concerned by the recent earnings drop of Distillers Corp.-Seagrams Ltd. Is there any likelihood of Walker's taking a similar trend?

The quarterly statement of Hiram Walker-Gooderham & Worts for the three months ended February 28, last, shows net profits equivalent to $1.77 a share on the common, up about 20 cents a share from the corresponding period a year ago. For the first six months of its current year Hiram Walker has reported earnings per common share equivalent to $3.78 this year, compared with $3.67 a year ago.

You will note that the experience of Distillers Corp.-Seagrams was not paralleled by that of Hiram Walker No adequate explanation of the report of Distillers Seagram has yet been obtained and we are informed that the company does not intend to give any further statement to the public. It appears that the Seagram's experience was due to conditions peculiar to itself, and that these were not shown in the experience of Hiram Walker.

Royalty Payments

Is it possible for a Canadian company to obtain U. S. funds for payment of royalties on the use of machinery and for the purchase of machinery from the United States?

It is the policy of the Foreign Exchange Control Board in Canada to grant American funds for the payment of royalties. Where it is proposed to arrange for the manufacture of an article in Canada on which royalties would be payable under the present policy of the board no difficulty would be met. It would be necessary for the Canadian company which was going to manufacture the article to submit its royalty contract to the Foreign Exchange Control Board for approval. This has so far been largely a matter of record and there is normally no difficulty in getting this approval.

The Foreign Exchange Control Board grants American funds for the purchase of machinery to be imported into Canada. The only cases where it does not sell American funds to import articles into Canada are in the few cases where such import is specifically controlled or prohibited. At present none of these prohibitions apply to machinery. You would thus have no difficulty getting your machinery into Canada although it would be necessary to obtain the proper permits.

Laura Secord

I would appreciate your comments regarding shares of Laura Secord Candy Shops. Is the recent rise in sugar prices of major importance?

Laura Secord Candy Shops has established a record of stable sales volume and earnings over several years past. Last year net profits were down about $50,000 from the preceding year, but this is more than accounted for by the increase in income taxes. Out of net profits equivalent to 80 cents a share in the year ended Sept. 30, 1940, the company paid a similar amount in dividends. The dividend rate appears stabilized at its present level so long as earnings remain where they have been over the past few years. Financial position is unusually strong with substantial reserves of marketable investments yielding a good income. Although no official announcement has been made as to earnings since last October, it can be assumed that sales volume has at least been maintained. The recent increase of 1 cent a pound in sugar prices may reduce the company's margin of profit unless it is possible to increase prices.

Canadian Canners

Is the present restricted export market or a shortage of tin likely to affect the earnings of Canadian Canners in the near future?

Export business normally accounts for about 25% of the total output of Canadian Canners Limited. Unusually heavy demands in the fall of 1939 carried this to 35% for the full year. Recently, however, exports have been curtailed as the British Ministry of Food placed in effect strict regulations and curtailed buying of canned fruits and vegetables. Outlook for the export business is hard to predict although the market for certain lines, such as tomatoes, is assured in Britain. The company has undoubtedly been aided by the accelerated rate of activity in Canada since the war. Food purchases have been somewhat greater and the company has obtained fair-sized orders from the Department of Munitions and Supply.

An actual shortage of tin would prove embarrassing to Canadian Canners. It does not seem likely. however, that any important restrictions will be placed on the use of tin to preserve foods so long as it is physically possible to obtain supplies. Probably substitutes could be used to a certain extent in any case.

Canadian Canners is the largest unit in the industry in Canada. Earnings in the year ended Feb. 29, 1940, the last year for which a complete report has been issued, showed net profits at record levels and about six times those of the previous year. Although no official information is available as yet, it would seem unlikely that earnings for the year ended Feb. 28, 1941, were up to this level. For one thing much heavier taxes would have to be paid. The company's financial position was adequate at Feb. 29, 1940, reflecting substantial liquidation of inventory and improvement in the cash position. A bank loan of $1.3 million has disappeared.

Consolidated Bakeries

Can you give me some information as to the investment standing of Consolidated Bakeries?

Consolidated Bakeries of Canada has for a number of years been one the most profitable organizations in its business in Canada. Over the past year, however, like other baking concerns in Canada, it has been adversely affected by the application of the processing tax of 70 cents per barrel on flour. Bakers have had to pay this without any increase in selling price of their products. As a result directors of Consolidated Bakeries have reduced the dividend on its ordinary shares to 15 cents, with the payment made April 1, 1941. The company's regular rate formerly was $1 a share annually, plus occasional extras. Its annual report for 1940 shows 70 cents a share earned compared with $1.25 a share for 1939. The company's financial position is unusually strong and it has an important source of income in its investment in stocks and bonds.

International Power

Any information that you could provide on the shares of International Power Co. would be appreciated.

International Power Co. is a public utility holding company, controlling a number of utility companies in South and Central America, the West Indies and Newfoundland. The company has 7% first and 6% second preferred stock. At Jan. 2, 1941, arrears on the 7% preferred totalled $31.25 a share, and arrears on the 6% preferred amounted to $84 a share at March 1, 1941. In 1939, the latest year for which financial statements are available, net profit equalled $9.38 on the first preferred and $7.47 in 1938. With exception of the three years from 1937 to 1939 earnings on the 6% stock have been consistently short of dividend requirements. Earnings of $9.53 were shown on the second preferred in 1939, compared with $1.90 in 1938. For many years prior to this the second preferred showed deficit earnings.

Position of the organization has been showing improvement in recent years, with gross earnings of operating subsidiaries reaching a new high in the year ended Dec. 31, 1939. It is expected 1940 will show continuation of this favorable trend.

Woods Manufacturing

What is the record of preferred dividend payments of Woods Manufacturing Co.? What are the prospects for a resumption of disbursements?

Woods Manufacturing Co. passed its preferred dividend on April 1, 1931. None has been paid since and at the end of 1940 arrears totalled $70 a share. In the past 11 years the company has shown net losses on five occasions. In none of these years have dividend requirements on the 7% preferred stock been earned. In the past two years, however, earnings have shown improvement over depression years. In 1940 net profit totalled $55,599, equal to earnings on the 7% preferred of $3.64 a share. This compares with net profit of $99,020 in 1939 and earnings of $6.48 on the preferred stock.

Plants operated at capacity in 1940 on war materials and equipment, and at the same time maintained normal market position, according to W. A. Eden, the president. Operating earnings totalled $529,455, compared with $254,497, but substantially increased provision for depreciation and creation of reserves for inventory depreciation of $180,955, in addition to an increase of $100,000 in income and "excess" profits tax lowered net profit. This increased depreciation is attributed by the company to the fact that plants are being run at capacity and provision is being made against depreciated inventory values in the post-war period.

Bell Telephone Stations Up 14,000

From Our Own Correspondent

MONTREAL.—Impact of war on general business continues to be reflected in telephone development. The Bell Telephone Co. of Canada reports an increase of nearly 14,000 telephones in service for the first three months in 1941. This was 5,100 more than for the like period of 1940. Total telephones in service now exceed 838,000.

Long-distance toll traffic also shows a marked gain over last year. Total messages carried on the Bell system went up over 16% during the first quarter of the first year.

Your Income Tax . . . .

From now until April 30, deadline for filing personal income tax returns, The Financial Post will answer questions from subscribers about their income and national defense taxes, as to exemptions to which they may be entitled, methods of payment, etc.

Enquiries are invited.

Tax-free Provincial Bonds

I am the owner of a number of Saskatchewan bonds issued "free from all provincial taxes, succession duties, charges and impositions." Am I to understand these bonds are exempt from Ontario income tax? Are they subject to Dominion income tax?

Is a Saskatchewan Government superannuation taxable by Dominion and Ontario Governments?

Can the amount of income tax, paid in 1939, be shown as a deduction against 1940 income?

The provision in the Saskatchewan bonds exempting them from provincial income tax and succession duties would not apply in Ontario or for Dominion income tax.

A Saskatchewan Government superannuation is taxable by Ontario and Dominion Governments, we understand.

The amount of income tax paid in 1939 cannot be shown as a deduction against 1940 income.

Charitable Donations

Among donations for charitable purposes allowable as deductions from income for income tax, which of the following qualify under that category? Church contributions, donations for local private relief purposes, dues to fraternal organizations, special contributions to such organizations for charitable or relief purposes and charitable gifts to individuals.

Under section 10D of the income tax form which calls for list of donations in duplicate with receipts, are receipts in duplicate necessary, or does it mean two lists of donation items and one receipt for each item?

Church donations are allowed as deductions from income, for income tax purposes. Donations for local private relief purposes and charitable gifts to individuals are not allowed, however. Gifts of a charitable nature must be made to a recognized organization before they can be allowed as deductions from income. Dues to fraternal organizations are not deductible. Social contributions to such organizations might possibly be allowed if supported by receipts. The best course would be to tell all the circumstances to the income tax authorities and get their ruling.

It is not necessary to have receipts in duplicate. If the list of donations is supplied the authorities in duplicate, one copy of the receipt is sufficient.

Partial Depreciation

If part of a large residence is let to a tenant, can the owner claim depreciation allowance of 5% on say 40% of the value of the house as a deduction from income tax?

Yes. The 5% would be the rate of depreciation allowed on a frame building. If the house were brick the rate would be 2½% a year. It is presumed the tenant is actually occupying 40% of it. Depreciation would be figured on the actual cost of the building.

Two Years' Income in One

Some years ago I was employed working for an estate on a monthly salary. When the person hiring me died, I was appointed executor and received no further salary whatsoever. For over two years I had no income, and then received my executor's fees in one lump sum. Can I spread this sum over two years for income tax, or must I report it all as income received in the one year?

You are required to report it as income received in one year. Each year's income has to be reported by itself and is subject to income tax accordingly.

W. E. N. BELL
Taxation & Insurance Consultant
505 Metropolitan Bldg., Toronto
AD. 5457

DIRECTOR

J. S. Duncan, president and general manager of the Massey-Harris Co., has been elected a director of the Canadian Bank of Commerce.

Stobie-Forlong To Wind Up

Final Distribution of $13,497 To Be Made and Estate Closed

A final sum of $13,497 is available for distribution to creditors of Stobie-Forlong & Co., according to F. M. Moffatt, trustee for the former Toronto brokerage house. The trustee plans to ask the court for discharge and permission to close the estate.

Income of $17,481 is reported since the last previous financial statement, of which $4,361 represents recovery from the qualifying bond of a former trustee and $10,186 surplus realization from the estate of Malcolm Stobie. Disbursements during the period were $3,983, including the 5% allowed the trustee on total receipts. Legal fees and costs were an additional $750.

An action to recover $54,411, a shortage of the former trustee, resulted in a compromise settlement of $35,000 which has been paid by order of the court direct to the trustee of Stobie-Forlong Assets Ltd., subject to costs.

Great West Saddlery Elects Two Directors

H. R. Carson, Calgary, and H. W. Bell, Winnipeg, have been elected directors of Great West Saddlery Co. to fill two vacancies which existed on the board. Mr. Carson is president of All-Canada Radio Facilities Ltd. and of Taylor, Pearson & Carson Ltd., Calgary. Mr. Bell is president of Dominion Fur Auction Sales Ltd. and vice-president of Equitable Trust Co., Equitable Insurance Agencies and Hunter's Manufacturing Co.

Que. Brewers State Case

Start "Institutional" Advertising Campaign Against Proposed Drastic Changes

From Our Own Correspondent

MONTREAL. — Rather than wait for reported drastic changes in Quebec's liquor laws, the Brewers' Industrial Foundation of Canada has taken large space in Quebec papers urging reasonable liquor laws, coupled with strict law enforcement.

There have been rumors current for several weeks the Quebec Government would drastically overhaul the present liquor laws. The changes, it is said, would be designed to bring about sharp curtailment in consumption of alcoholic beverages, limit advertising and curtail number of taverns, clubs, etc.

In the first of what apparently is a series of advertisements under the heading of "The Citizens of Quebec Must Not be Deprived of Their Liberties," the brewers of Quebec state the proposed drastic changes in liquor laws will render them unenforcible and will result "in a state of lawlessness" throughout the province.

A. Bélanger, Ltée Bonds Redeemed

A. Bélanger, Ltée., reports that its 5% first mortgage bonds, due Feb. 1, 1966, have been reduced to $759,500. The $17,500 of these bonds which was the 1941 annual redemption was redeemed Feb. 1 last. The company makes cooking and heating equipment, ploughs, harrows and other implements at Montmagny, Que.

CANADIAN SECURITIES

Dominion and Provincial Government Bonds
Municipal Bonds
Public Utility and Industrial Financing

DOMINION SECURITIES CORPORATION LIMITED
TORONTO MONTREAL WINNIPEG VANCOUVER NEW YORK LONDON, ENG.
15 King Street West, Toronto

IMPARTIAL TREATMENT

This trust company, uninfluenced by the importunities of beneficiaries, the clamour of relatives, or the mistaken advice of friends, administers an estate so that all concerned receive impartial treatment.

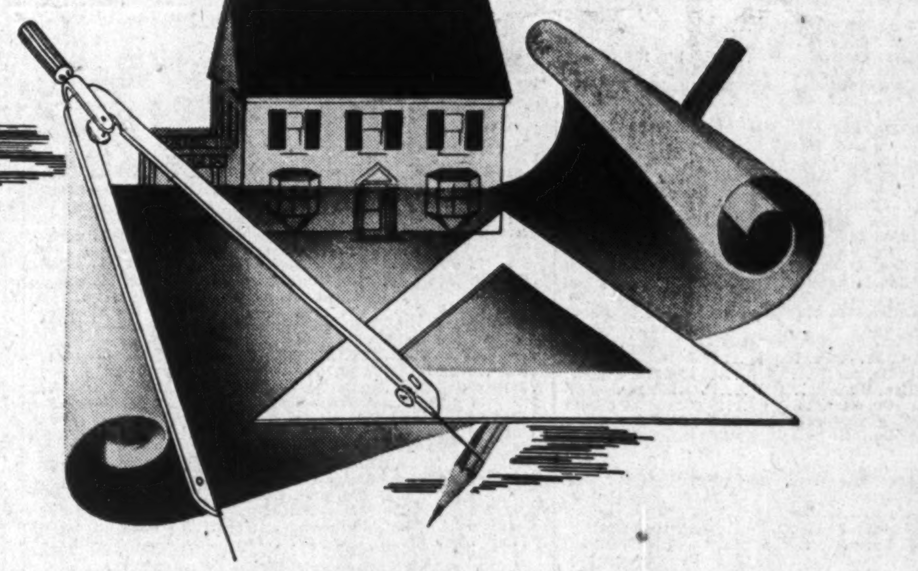
'Appoint Montreal Trust Company Your Executor

MONTREAL TRUST COMPANY
Montreal Trust Building
61 Yonge Street Toronto
J. F. HOBKIRK, Manager

A NEW TECHNIQUE OF MARKET ANALYSIS . . .

if you found the articles in The Financial Post describing "A New Technique of Market Analysis" of interest and would like to consider this method as a guide in the handling of your investment and business problems you are invited to write or telephone for full particulars of the Service we provide.

E. G. Bulmer & Co., Limited
320 Bay St. WA. 8061 Toronto, Ont.



TODAY'S HOMES ARE BUILT FOR TOMORROW

MEN learn from experience to hold fast to that which is good. In home construction this rule applies particularly to the use of materials which have proved their worth by retaining their beauty and efficiency through years of hard service, with a minimum of cost for replacement or repair.

Copper and its alloys, throughout the years, have enjoyed constantly widening use because their resistance to corrosion and long life provide service which is an outstanding economy. And today, more than ever before, the value of the "red rustless metal" is recognized by homeowners, builders, architects and financing institutions, as witnessed by the constantly increasing tonnage of copper used every year in building.

This great tribute finds its concrete application in copper and brass water pipe and heating lines, in copper flashings, gutters and roofs, in hardware and lighting fixtures, in windows and screens and water tanks. Parallel to the great increase in demand for copper in regular building construction, more hundreds of tons are being utilized each year for air-conditioning equipment.

Foremost in the fabrication of copper and its alloys is Anaconda American Brass Limited. Its modern mill at New Toronto, Ontario, and more than 1,300 Canadian workers are at your service — ready to supply you with copper, brass, bronze and nickel silver . . . in all forms of sheets, rods, tubes and drawn and extruded shapes that are used by the building as well as manufacturing industries.

COPPER—*A Basic Industry*

Copper is one of those basic industries through whose development Canada has prospered greatly. Essential though copper is today to every activity of modern man, much is yet to come. Through continued research and constantly improving methods, the "red rustless metal" may be expected to contribute in still larger degree to a more widespread standard of better living.

ANACONDA Copper and Brass

Anaconda American Brass Limited
(Made-in-Canada Products)
Main Office and Mill: New Toronto, Ont. Montreal Office: 939 Dominion Square Building

C-4037

THE WEEK'S QUOTATIONS

Toronto and Montreal Exchanges

The following table is confined to official prices for listed stocks, including curb market quotations. Where no transaction is recorded, bid and asked prices are given. For unlisted stocks, quotations by unlisted dealers are published. The Financial Post cannot accept any responsibility for such quotations.

WEEK ENDING APRIL 21

Mining Stocks

Week Ending April 21

Vancouver Stocks

Oil Stocks

Oil Quotations

Par Val.	High	Low	Company	Sales	Open	High	Low	Close
No	.07	.05	McD. Segur Ex.	1,000	.05½	.05½	.05½	.05½
No	.05	.04	Mercury	500	.04½	.04½	.04½	.04½
No	.05	.04	Mill City Pete		(.04 bid	.05 asked)		
1	.19	.14	Model		(.12 bid	.16 asked)		
25c.	.07	.03½	Monarch Royal	1,000	.07	.03½	.03½	.03½
25c.	.05½	.04½	National Pete		(.05 bid	.06 asked)		
1	*.05	.04	Nordon		(.04 bid	.... asked)		
No	.75	.50	Okalta	500	.53	.50	.50	.50
No	.04	.04	Pacalta Oil		(.... bid	.... asked)		
1	.26	.20	Pacific Petroleums		(.... bid	.31 asked)		
25c.	.08	.05	Prairie Royal	1,000	.05	.05½	.05½	.05½
No	.15	.07½	Royal Canadian	1,000	.08½	.07½	.07½	.07½
No	*.10½	.06	Royal Crest		(.... bid	.... asked)		
No	22.00	17.12	Royalite	10	17.50	17.12	17.12	17.12
No	*.07½	.03	South End		(.... bid	.... asked)		
No	.25	.25	Southwest Pete		(.... bid	.... asked)		
1	.05½	.02½	Spooner		(.03½ bid	.... asked)		
25c.	.14	.12	Sunset Oil		(.09 bid	.... asked)		
No	.04½	.03	United	1,000	.03	.03½	.03½	.03½
No	.04½	.04	Vanalta	1,000	.04½	.04	.04	.04
1	.38½	.20	Vulcan		(.25 bid	.40 asked)		
No	*.05	.02	West Flank		(.... bid	.... asked)		

*Quotations for 1940.

Winnipeg Stocks

(Transactions from Apr. 14 to Apr. 19)

	Sales	High for period	Low for period	Close Apr. 19
Dominion Envelope, c.	20	7.00	7.00	7.00
Great West Life	7	200.00	200.00	200.00
Sh-nango	1,000	.02	.02	.02
United Grain Growers	78	10.00	9.00	10.00
Wingold	1,042	.08½	.06	.06

Stocks Not Traded in During Week*

	Bid	Asked		Bid	Asked
Beaver Fire	75	..	Home Invest.	14	..
Beav. Lumber, c.	..	5	Nor. Can. Mtg. p.	5	..
Beav. Lumber, p	102	105	North. Trusts	7	..
Can. Airways	1	..	Traders Bldg.	43	..
Can. Indemnity	150	..	West. Brew.	1⅛	1⅞
Cres. Cream. p.	11½	15	West. Grain, p.	..	9
Dom. Envelope p	92½	97½	West. Steel	5¾	9¼
Fed. Grain, c.	.50	..	Wings	.15	.75
Fed. Grain, pf.	27	30			

*Stocks more active on other exchanges not included.

Volume of Stock Sales

	Montreal Markets Indust.	Montreal Markets Mines	Toronto Markets Ind. & Mines	Vancouver Markets Ind. & Mines
Apr. 22	7,300	5,000	102,000	......
Apr. 21	8,200	3,200	103,000	4,[illegible]
Apr. 19	[illegible]	[illegible]	[illegible]	[illegible]
Apr. 18	8,600	2,900	94,000	32,500
Apr. 17	9,300	1,200	106,000	9,050
Apr. 16	7,800	7,400	132,000	22,560

Government Bonds

Unlisted Stocks

(Furnished by A. J. Pattison Jr. & Co., Toronto)

Unlisted Mines

Toronto, April 22, 1941

Corporation Bonds

(Supplied by Investment Dealers' Association of Canada)

Supplementary Stock Quotations

(Furnished by Plaxton, Cherry & Co., Toronto)

Corporation Bonds (Cont'd)

	Rate	Due	Bid	Asked	Bid
*Prov. Paper	5½	'47	105	...	105
Reliance Grain	4½	'52	92½	95½	93
†Restigouche Co.	6	'48	96½	99½	97
Rolland Paper	4½	'51	103	105	103
Ruddy, E. L.	6½	'48	100½	102½	100½
Silv. Dairies	6	'66	90	93	90½
Simpsons Ltd.	4½	'51	99	101	99
Smith, Howard	4½	'51	104	106	104
Stand. Lime	6	'44	97	..	97
Sterling Coal	6	'45	96	99	96
Stop & Shop	3	'47	56	59	57
United Corp.	5	'53	90	93	90
*United Gas	5½	'48	104	106	104
United Gr. Grs.	5	'48	95½	97½	95½
†Western Grain	6	'49	53½	56½	55

*Payable in Can. or U. S.
†Payable in Can., U. S. or U. K.
*Payable in U. S.
▲Payable in Canada only.
‡Traded without accrued interest.
▲Payable in Can. or U. K.

Municipal Bonds

April 22, 1941

	Rate	Due	Bid	Asked	Yield
†Halifax	5	1961	109.00	110.50	4.23
Hamilton	5	1950	109.00	111.00	3.55
Montreal	5	1945	93.50	95.00	6.40
Ottawa	4½	1945	104.50	106.50	2.90
†Quebec	5	1959	105.50	107.00	4.44
Saint John	5	1950	105.00	106.50	4.17
†Toronto	4½	1955	110.20	112.20	3.40
†Vancouver	5	1950	98.00	101.00	4.86
Winnipeg	5	1944	101.00	104.00	3.81

†Payable Can. and N.Y.

Investment Trusts

	Bid	Asked
Affiliated Funds	2.15	2.35
Can. Amer. Trust	2.60	3.10
Can. Inter. Trust	4.25	5.00
Can. Invest. Fund	3.05	3.40
Grouped Income	...	5.30
Trans-Canada	9.70	10.60

Annual Meetings

1941	Company	Place
Apr. 30	United Steel Corp.	Toronto
May 1	Internat'l Min.	Wilmington, Del
May 1	Canadian Locomotive	Kingston
May 2	McV. Graham Mines	Montreal
May 3	International Bridge	Buffalo
May 5	Winnipeg Electric	Winnipeg
May 7	Inter. Utilities	Baltimore
May 7	Aldred Invest. Corp.*	Montreal
May 7	Canadian Pac. Railway	Montreal
May 7	Inter-State Royalty	Montreal
May 7	Jamaica Public Service	Montreal
May 8	Nipissing Mines Co.	Toronto
May 8	Sec. Inter-State Royalty	Montreal
May 9	Sachigo River Explor.	Toronto
May 9	Ventures Ltd.	Toronto
May 9	Sudbury Basin	Toronto
May 15	Associated Brew.†	Calgary
May 19	Credit Foncier Franco-Can.	Montreal

*Debenture holders.
†Meeting will be held Apr. 30 at 11 a.m., and be immediately adjourned to May 15.

Mining Dividends

	Rate	Close Apr. 21	Yield %
Anglo-Huronian	‡10c	2.85	..
Aunor Gold	▴8c	1.75	..
Beattie Gold	‡16c+2c	1.05	*17.1
Bralorne	80c+40c	9.75	*19.3
Broulan Porc.	12c	.84	14.3
Buffalo Ankerite	▴10c	8.75	..
Bulolo Gold	$3	17.75	17.1
Can. Malartic	8c	.53	..
Cariboo Gold	16c+6c	2.52	*9.3
Central Patricia	16c+4c	1.70	*11.8
Chesterville	8c	1.30	..
Cochenour Willans	3c	.73	..
Coniagas	‡25c	1.50	..
Coniaurum	‡16c+2c	1.25	*14.4
Cons. Smelters	$1+$1.25	34.50	*8.5
Delnite	‡6c	.90	6.7
Dome Mines	$2	22.00	9.1
East Malartic	‡30c	2.45	12.2
Falconbridge	5c	2.25	..
Francoeur Gold	‡5c	..	..
God's Lake	‡2½c	.27	..
Goldale	‡2c	.11	..
Gold Belt	▴2c	.25	..
Grandview	†.00½	.12	..
Gunnar Gold	6c	.23	..
Halnor	60c	5.00	12
Hard Rock	‡10c	.76	..
Hedley Mascot	▴4c	.55	..
Hollinger	60c+45c	12.37	*8.5
Howey Gold	2c	.24¼	..
Hudson Bay	‡$2	25.50	7.8
Inspiration	†2c	.23	..
Inter. Nickel, com.	$2	32.00	6.2
Island Mountain	▴8c	.95	..
Kerr Addison	‡15c	3.70	..
Kerr Lake	‡10c	.41	..
Kirkland Lake	10c+2c	.83	*14.4
Kootenay Belle	▴4c	.25	..
Lamaque Gold	‡40c+10c	4.35	*11.5
Lake Shore	$2	18.50	10.8
Leitch	8c	.48	16.7
Little Long Lac	‡30c	1.73	..
Macassa	32c+3c	3.75	*9.3
Madsen R. Lake	6c	.61	..
McGillivray Coal	‡3c+1c	.21	..
McKenzie Red L.	♦12c	1.05	11.4
McWatters	10c	.20	..
Moneta	12c	.46	..
McIntyre-Porc.	$2.22+$1.11	48.00	*6.2
MacLeod-Cockshutt	‡20c	1.76	..
Naybob Gold	4c	.25	..
Nipissing	15c	1.10	..
Noranda	$4	52.87	7.6
North Empire	20c	5.00	..
O'Brien Gold	‡10c	.63	..
Pamour Porc.	12c	1.21	9.9
Pato Cons.	20c	2.65	..
Paymaster	‡1c	.19¼	..
Perron Gold	16c+4c	1.30	*15.4
Pioneer, B.C.	▴40c	2.05	19.4
Pickle Crow	40c	2.50	16.0
Placer Develop.	$1.20	9.50	12.6
Premier	12c	.91	..
Preston E. Dome	20c+7½c	2.98	*9.2
Privateer Mines	▴5c+2c	.49	..
Powell Rouyn	‡10c	.72	..
Quebec Gold	‡2c	.22	..
Relief Arlington	‡5c	.02½	..
San Antonio	14c+6c	2.30	*8.7
Sheep Creek	16c	.81	..
Sherritt Gordon	10c	.65	..
Sigma Mines	‡45c	7.15	..
Silbak Premier	16c	.80	20
Siscoe	‡11½c	.56	..
Sturgeon River	4c	.18	..
Sudbury Basin	‡2½c	1.18	..
Sullivan Cons.	‡9c	.58	..
Surf Inlet	‡1½c	.12	..
Sylvanite Gold	20c+10c	2.40	*12.5
Teck-Hughes	†40c+5c	2.95	*15.2
Toburn	12c+8c	1.70	*11.6
Upper Canada	▴7c	1.78	..
Ventures	15c	3.35	..
Waite Amulet	‡10c	3.20	..
Wendigo	3c	.21	..
Wright-Harg.	‡40c+30c	5.40	*12.9
Ymir Yankee	2c	.05	..

*Yield including bonus. †Initial.
‡Paid in 1940.
♦Plus 1 sh. McMarmac Red Lake Gold Mines for each 5 shs. McKenzie held.
▴Paid or declared payable in 1941 to date.

Dividends Declared

	This payment	Date payable	Date of record
Anglo Can. Oil	♦▴4c	May 1	Apr. 19
Auror Gold	4c	June 2	May 10
Ault & Wiborg, p	$1.37½	May 1	Apr. 15
Ang.-Can. Tele. p	68¾c	May 1	Apr. 15
Bank of Montreal	$2	June 2	Apr. 30
Blue Ribbon, pfd.	62½c	May 1	Apr. 28
Borden Co.	30c	June 2	May 15
Bank of Toronto	$2.50	June 2	May 15
Bertram & Sons	15c	Aug. 15	Aug. 1
Buffalo Ankerite	▪10c	May 6	Apr. 22
Bathurst Pr. P.A.	25c	June 2	May 15
Brewers & Distil., p.	*50c	May 20	Apr. 26
Do., bonus	*10c	May 20	Apr. 26
Beatty Bros., 1st p.	$1.50	May 1	Apr. 15
B. C. Teleph., 2nd pf	$1.50	May 1	Apr. 16
Can. W. & Cable, A	$1	June 15	May 31
Do., B	50c	June 15	May 31
Do., pref.	$1.62½	June 15	May 31
Can. Marconi	4c	June 1	Apr. 15
Candn. Indust., pf.	$1.75	Apr. 30	Mar. 31
Do., com.	$1.75	Apr. 30	Mar. 31
Com. Alcohols, c.	15c	May 1	Apr. 15
Cel. of Am., pr. pf.	$1.75	July 1	June 17
Do., part. pref.	†$3.50	June 30	June 17
Can. Bk. of Commerce	$2	May 1	Mar. 31
Can. Converters	50c	Apr. 30	Apr. 10
Corr. Pap. Box, p.	$1.75	June 1	May 15
Do.	$1.75	June 1	May 15
Can. Bronze	37½c	May 1	Apr. 21
Do., pref.	$1.25	May 1	Apr. 21
Coast Brew.	3c	May 1	Apr. 15
Corr. Pap. Box, p	$1.75	June 1	May 15
Do.	$1.75	June 1	May 15
Can. For. Invest.	70c	May 1	Apr. 15
Canadian Oil, c.	12½c	May 15	May 1
Do., extra	12½c	May 15	May 1
Commoil	1c	May 26	May 15
Commonw'th Pet.	2c	June 2	May 10
Crown Cork	50c	May 15	Apr. 30
Can. Investors	10c	May 1	Apr. 18
Calgary Power, pf.	$1.50	May 1	Apr. 15
Commonw'th Intnl.	4c	May 15	Apr. 15
Cosmos Imperial	30c	May 15	Apr. 30
Can. Bakeries, pfd.	$2	June 1	May 22
Can. Ins. Shares	$1	May 10	Apr. 30
Can. Fairbanks, c.	50c	May 15	Apr. 30
Dome Mines	▪50c	July 21	June 30
Distillers-Seag., p.	†$1.25	May 1	Apr. 15
Delnite Mines	3c	Apr. 30	Apr. 5
Dom Tar, pref.	$1.37½	May 1	Apr. 15
Dominion Bank	$2.50	May 1	Apr. 19
Dom. Bridge	30c	May 23	Apr. 30
Dom. Oilcloth	30c	Apr. 30	Apr. 15
Do., extra	10c	Apr. 30	Apr. 15
Dom. & Ang. Inv.	$2.50	June 2	May 15
Do., pref.	$1.25	June 2	May 15
Dom. Scot. Inv. p.	▪$1.05	June 2	May 20
East. Bakeries, p.	81¼c	Apr. 15	Mar. 31
East. Twp. Tele.	25c	Apr. 15	Mar. 31
First All-Can. Tr. sh.	12c	Apr. 15	Apr. 15
Gold Belt Mining	2c	May 15	Apr. 30
Gordon & Belyea	$1.50	May 1	Apr. 23
Do., B com.	30c	May 1	Apr. 23
Do., pref.	$1.50	Apr. 1	Mar. 27
Granby Cons.	†15c	June 2	May 17
Hedley Mascot	2c	May 15	Apr. 24
Gunnar Gold	3c	May 1	Apr. 15
Humberstone Shoe	25c	May 1	Apr. 16
Howey Gold	2c	May 1	Mar. 31
Halnor Mines	15c	June 2	May 10
Int. Metal, p & A p	$1.50	May 1	Apr. 15
Do., arrears	$3	May 1	Apr. 15
Imperial Bank	$2.50	May 1	Mar. 31
Inspiration Min.	♦2c	May 30	May 1
Inter. Nickel, pf.	†$1.75	May 1	Apr. 1
Inter. Util. pfd.	•†87½c	May 1	Apr. 21
Island Mtn. M.	8c	May 15	Apr. 30
Kerr Addison	5c	Apr. 28	Apr. 10
Kirkland Lake	5c	May 1	Mar. 31
Do., extra	1c	May 1	Mar. 31
Leitch Gold	2c	May 15	Apr. 30
Loblaw Groc., A, B	25c	June 2	May 10
Do., extra	12½c	June 2	May 10
McIntyre Porc.	55½c	June 2	May 1
Montreal L. & Pr.	37c	Apr. 30	Mar. 31
Neon Pr. W. Can. p.	$1.50	May 1	Apr. 15
Noranda Mines	$1	June 16	May 20
Paterson, Wm., p.	$1.75	May 1	Apr. 20
Privateer Mine	2c	May 10	Apr. 25
Do., extra	1c	May 10	Apr. 25
Pamour Porc.	6c	June 2	May 10
Penmans	75c	May 15	May 5
Do., pref.	$1.50	May 1	Apr. 21
Pressed Metals	†25c	June 2	May 15
Quebec Power	25c	May 26	Apr. 28
Royal Bank	$2	June 2	Apr. 30
Royal Trust	80c	Apr. 30	Apr. 30
Rem. Rand, stk. div.	10%	May 1	Mar. 14
Regent Knit, pref.	‡40c	June 1	May 15
Rolland Paper	15c	May 15	May 4
Do., pref.	$1.50	June 2	May 15
South Am. Gold	10c	May 7	Apr. 25
Steel of Can.	75c	May 1	Apr. 7
Do., pref.	75c	May 1	Apr. 7
Simpsons, pref.	$1.62½	May 1	Apr. 19
Saguenay Pr., p.	$1.37½	May 1	Apr. 15
South. Can. Pr.	20c	May 15	Apr. 30
Sturgeon R. G.	4c	Apr. 30	Apr. 15
St. Law. Flour, c.	25c	May 1	Apr. 19
Do., extra	50c	May 1	Apr. 19
Do., pref.	$1.75	May 1	Apr. 19
South Amer. Gold	†10c	May 7	Apr. 25
Shawinigan W.	22c	May 26	Apr. 23
Sherbrooke Trust	$1.50	May 1	Apr. 15
Toburn Gold	3c	May 22	Apr. 22
Do., extra	2c	May 22	Apr. 22
Un. Gold Eq. st. c.	6c	June 30	June 16

DIVIDEND NOTICES

BANK OF MONTREAL

Established 1817

DIVIDEND NO. 312

NOTICE is hereby given that a DIVIDEND of TWO DOLLARS per share upon the paid up Capital Stock of this Institution has been declared for the current quarter, payable on and after MONDAY, the SECOND day of JUNE next, to Shareholders of record at close of business on 30th April, 1941.

By Order of the Board

JACKSON DODDS, General Manager. G. W. SPINNEY, General Manager

Montreal, 18th April, 1941.

The Dominion Bank

Dividend No. 234

Notice is hereby given that a dividend of two and one-half per cent upon the paid up Capital Stock of this Institution has been declared for the quarter ending 30th April, 1941. The dividend will be payable at the Head Office of the Bank and its Branches on and after Thursday, the 1st day of May, 1941, to shareholders of record of the 19th April, 1941.

By Order of the Board.

ROBERT RAE, General Manager.

Toronto, 13th March, 1941.

Leitch Gold Mines LIMITED

(No Personal Liability)

DIVIDEND No. 11

Notice is hereby given that a quarterly dividend of two cents per share has been declared by the Directors of this Company payable in Canadian funds on May 15th, 1941, to shareholders of record at close of business April 30th, 1941.

By Order of the Board,

W. W. McBRIEN, Secretary-Treasurer.

April 16th, 1941.

The Shawinigan Water and Power Company

NOTICE is hereby given that a dividend of twenty-two (22c) cents per share has been declared on the no par value common shares of the Company for the quarter ended March 31, payable May 26, to shareholders of record April 23, 1941.

By Order of the Board.

H. G. BUDDEN, Secretary and Assistant Treasurer.

Montreal, April 16, 1941.

DIVIDEND NOTICE

HIRAM WALKER-GOODERHAM & WORTS LIMITED

DIVIDEND NO. 76

A quarterly dividend of 25¢ a share has been declared on the outstanding no par value Cumulative Dividend Redeemable Preference Stock of this Company, payable Monday, June 16, 1941 to shareholders of record at the close of business on Friday, May 23.

DIVIDEND NO. 77

A dividend of $1.00 a share has been declared on the outstanding no par value Common Stock of this Company payable Monday, June 16, 1941 to shareholders of record at the close of business on Friday, May 23.

By Order of the Board,

FLETCHER RUARK, Secretary.

Walkerville, Canada April 7, 1941.

Privateer Mine Limited

Dividend No. 10

NOTICE is hereby given that a dividend of three cents (3c) per share plus an extra of one cent (1c) per share has been declared by the Directors of Privateer Mines Limited, payable in Canadian Funds, on the 10th day of May, 1941, to shareholders of record on the 25th day of April, 1941.

By Order of the Board.

W. S. LANE, Secretary.

Vancouver, B.C. April 16th, 1941.

McIntyre Porcupine Mines LIMITED

(No Personal Liability)

DIVIDEND NO. 92

Notice is hereby given that a dividend of fifty-five and one-half cents (55½c) per share in Canadian currency will be paid on June 2, 1941, to shareholders of record at the close of business May 1, 1941.

By Order of the Board.

BALMER NEILLY, Treasurer.

Dated at Toronto, April 15, 1941.

Gold Belt Mining Company Limited

(Non-Personal Liability)

Notice of Interim Dividend No. 3

Notice is hereby given that Interim Dividend No. 3 of two cents per share has been declared on the paid-up Capital Stock of the Company, payable on the 15th day of May, 1941, to shareholders of record at the close of business on the 30th day of April, 1941. Persons holding certificates not registered in their name, commonly known as "street" certificates, should have them registered in their name by the Company's Transfer Agents, The London & Western Trusts Company Limited, at their office, 475 Howe Street, Vancouver, B.C., or at their office, 200 Bay Street, Toronto, Ontario, on or before 30th April next.

By Order of the Board.

JAMES ANDERSON, Secretary.

Vancouver, B.C., April, 1941.

Dividends Declared (Cont'd)

	This payment	Date payable	Date of record
Union Gas	20c	June 14	May 20
Do., extra	20c	June 14	May 20
United Corp. A	37c	May 15	Apr. 30
Upper Can. Mines	4c	May 31	May 15
Waite Amulet	10c	June 16	May 15
Walker-Good.	$1	June 16	May 23
Do., pref.	25c	June 16	May 23
Wendigo Gold	▪3c	May 2	Apr. 21
Wilsil	25c	July 1	June 14
Weston, Geo., c. p.	$1.25	May 1	Apr. 15
Wood, Alex. J. pfd.	$1.75	May 1	Apr. 15
Zellers, com.	20c	May 1	Apr. 15
Do., pref.	37½c	May 1	Apr. 15

†Payable in U. S. funds.
▪Subject to approval of Foreign Exchange Control Board.
♦Initial.
‡40c also payable Sept. 1 and Dec. 1.
*Subject to approval at annual meeting.
Exchange Commission.
•Subject to approval of Securities and

Commodity Prices Mostly Higher

Changes in Shipping Practice Bring Higher Rubber Quotations

While commodity prices have shown some irregularity, the general trend has been upward.

A fractional rise in rubber quotations was attributed to a new practice of landing shipments from the east at the west coast of North America, instead of bringing them around to the Atlantic seaboard by the Panama canal. It is claimed this procedure will enable ships to make three trips in the time of two. This will make supplies more plentiful but the added cost of shipment by rail across the continent will be 1/16 to ¼ cents a pound, it is estimated. According to reports there are now no British ships on the rubber run.

	Latest week	Previous week	Same week last yr.
Cattle	$9.35	$9.50	$7.50
Hogs	11.50	11.40	12.25
Copper, lb.	.12	.12	.11½
Cotton, lb.	.1143	.1158	.1111
Rubber, lb.	.23	.2288	.1987
Silk, lb.	2.83	2.84½	2.61
Sugar, raw, lb.	.0337	.0340	.0290
Wheat, Man. (bu.)	.75½	.75⅝	.90⅛
Coffee, lb.	.06¾	.06¼	.05½
Hides	.14¾	.14½	.13½
Weekly Indices			
Canada (D.B.S.)	86.5	86.5	83.2
Do., Wood, Gundy	70.3	70.1	68.0
U. S. Labor	82.9	82.2	78.0
Dow Jones (future)	63.27	63.54	61.79
Fishers'	89.7	89.2	84.8
Monthly Indices			
Canada (D.B.S.):			
Retail (Mar.)*	108.2	108.2	104.6
W'sale (Feb.)	85.2	84.6	82.8
U. S. (Jan.)	80.8	80.0	79.4
Gt. Brit. (Dec.)	148.2	146.9	102.8

Note:—The base of indices is that 1926 equals 100. *Base 1935-39=100. The British index is Board of Trade converted to 1930 base.

Base of price quotations is as follows: Cattle—Steers, good, over 1,050 lb., top price, Toronto. Copper-electrolytic, New York. Silk—Crack db., 13-15 New York. Sugar—96 degrees centrifugal c/f New York. Wheat—No. 1 Man. North., Ft. W.-Pt. A. basis. Hides—No. 1 packer light.

Canadian Bakeries Ltd. Reduces Arrears

Canadian Bakeries Ltd. has declared a dividend of $2 per share on the $100 par 5% preferred shares. Payable June 1, 1941, to shareholders of record May 22, the payment is the first since May 31, 1940. After giving effect to this disbursement, arrears will amount to $3.75 per share.

NOTICE OF ANNUAL GENERAL MEETING

VULCAN OILS LIMITED

TAKE NOTICE that the Annual General Meeting of the shareholders of VULCAN OILS LIMITED will be held at the Odd Fellows Hall, in the town of Vulcan, Alberta, on Thursday, the First day of May, A.D. 1941, at the hour of ten o'clock in the forenoon, for the purpose of receiving and considering the report of the Directors, the Auditors' report for the past year, the election of Directors, the appointment of Auditors and to transact such other business as may properly come before the meeting.

The books of the Company will be closed for transfer purposes from April 23rd, 1941, to May 2nd, 1941, both days inclusive.

Dated at the town of Vulcan in the Province of Alberta, this 11th day of April, A.D. 1941.

By Order of the Board of Directors.

FRANK R. FREEZE, Secretary.

DIVIDEND NOTICES

Quebec Power Company

NOTICE is hereby given that a dividend of twenty-five (25c) cents per share has been delared on the no par value common shares of the Company for the quarter ended March 31, payable May 26, to shareholders of record April 28, 1941.

By Order of the Board.

H. G. BUDDEN, Secretary.

Montreal, April 21, 1941.

DIVIDEND NOTICE

COMMOIL LIMITED

NOTICE is hereby given that an Interim Dividend of 1c per share has been declared on the outstanding no par value shares of the Company, payable May 26th, 1941, to shareholders of record at the close of business May 15th, 1941.

The transfer books of the Company will not be closed.

By Order of the Board,

G. J. McKAY, Secretary.

April 10, 1941.

Loblaw Groceterias Co. Limited

NOTICE is hereby given that a quarterly dividend of 25 cents per share and a bonus of 12½ cents per share on the Class "A" shares, and a quarterly dividend of 25 cents per share and a bonus of 12½ cents per share on the Class "B" shares of the Company have been declared for the quarter ending May 31st, 1941, payable on the 2nd day of June, 1941, to shareholders of record at the close of business on the 10th day of May, 1941. The transfer books will not be closed. Payment will be made in Canadian Funds.

By Order of the Board.

R. G. MEECH, Secretary.

Toronto, April 18th, 1941.

Dominion Bridge Company, Limited

DIVIDEND NOTICE

A Dividend of THIRTY CENTS (30c) per Share on the Outstanding No Par Value Shares of this Company has been declared for the Quarter ending 30th April, 1941, payable 23rd May, 1941, to Shareholders of record at the close of business on the 30th April, 1941.

BY ORDER OF THE BOARD.

F. W. EVENS, Secretary

Montreal, Que. 22nd April, 1941.

ELECTED DIRECTOR

Arthur S. Torrey, Montreal, who has been elected a director of Anglo-Canadian Telephone Co. Mr. Torrey replaces the late Hon. Gordon W. Scott. He is also a director of Granby Elastic Webb of Canada, Phillips Electric Works Ltd., Canadian Telephone & Supplies Ltd. and Canada Machinery Corp.

Proxy Battle International Utilities

In requesting proxies for the election of new directors for International Utilities Corp., an Independent Stockholders' Committee quotes data tabled with the S.E.C. as reason for ousting P. M. Chandler, president of the corporation since 1926.

According to the Committee's letter, Mr. Chandler and associates, including corporations dominated by him or in which he had a substantial interest, profited by transfers of public utility properties in which International Utilities was interested. Outlining one of these, the letter states:

"In 1930, International (Utilities) through P. M. Chandler, was negotiating to sell the securities of certain Canadian subsidiaries to American Commonwealth Power Corporation for approximately $16 millions. When the negotiations were nearly concluded, P. M. Chandler and his associates caused International, through a subsidiary, to sell such securities to Chandler's own company—Chandler & Co. Ltd. (a company with a capital of $5) for approximately $15,550,000. On the same day, Chandler & Co. resold such securities to American Commonwealth Power Corp. for approximately $16 millions. There resulted thereby a profit of approximately $450,000 to P. M. Chandler and his associates."

Profit in B. C. Power

Other charges of the Committee refer to a profit of $180,000 alleged made by Chandler and associates through the sale of Kentucky Securities Corp.; profit of $75,000 in the sale of Southwestern Utilities Corp.; profit of $100,000 in the acquisition of properties for International Public Utilities Corp., a former subsidiary of International Utilities; a profit of approximately $100,000 in the sale of securities of British Columbia Power Corp.

P. M. Chandler and associates are stated to have received in excess of $500,000 in connection with the acquisition by International Utilities of the stock of American Equities Corp. They are also stated to have made profits with respect to numerous other financial transactions in which International Utilities and its subsidiaries were concerned, in which Chandler & Co. acted either as agent or principal, supplied with credit by International Utilities. These profits are in addition to salary of at least $45,000 per annum, amounting to a total of approximately $980,000 since International Utilities was formed, according to the Committee.

Want New Directors

Steps in the Committee's plan include the election of three independent directors at the May 7 annual meeting: Theodore S. Watson of New York City; William Harty, President of Canadian Locomotive Co., Kingston, Ont., and F. W. Currier of Pittsburgh.

This effort would be followed by a petition for an extraordinary meeting of shareholders to remove other directors. The Committee would elect J. J. Brown, Cranford, N.J.; George H. Storm, Greenwich, Conn.; C. Ezbai Scott, New York; Stanley M. Tracy, Princeton N.J., and E. Laurence White, New York, to the board, leaving one member, Paul C. Richardson of Philadelphia as sole remaining representative of the old board.

Proxy forms, accompanied by the letter of the Independent Stockholders' Committee, have been sent to the holders of the $1.75 preferred stock, the class "A" and "B" common stock of International Utilities.

DIVIDEND NOTICE

Borden's

COMMON DIVIDEND No. 125

An interim dividend of thirty cents (30¢) per share has been declared on the outstanding common stock of this Company, payable June 2, 1941, to stockholders of record at the close of business May 15, 1941. Checks will be mailed.

The Borden Company

E. L. NOETZEL, Treasurer

Silverwood 6's
Can. Locomotive 6's
B. C. Pulp 6's
B. C. Pulp 7's
Can. Vickers 6's
Dom. Woollens 6's
Stop & Shop 3's

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Can. Industries pfd.
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Can. Invest. Corp.
Can. Airways
Imperial Life

Week in Wheat

Elevator Firms Suspend Country Wheat Buying

Thinness of Market Makes it Impossible to Place Hedges Against All the Sales Farmers Want to Make

From Our Own Correspondent

WINNIPEG.—Country buying of wheat was suspended by elevator companies the beginning of this week, owing to thinness of the market which made it impossible to place hedges against all the wheat farmers wished to sell. Prices for the May and July future have rested on the pegs set by the Winnipeg Grain Exchange at the request of the Canadian Wheat Board. For a time there was sufficient buying from Canadian mills for domestic milling requirements to absorb the quantity offered. Lately, however, deliveries by farmers increased, and so also did the percentage of wheat they wished to sell instead of delivering it to the Canadian Wheat Board.

With little faith now that Wheat Board participation certificates are likely to have an eventual value, farmers are anxious to sell outright on the open market whenever they can there get a cent or so above the Board's initial price.

Concurrently, the buying of mills tended to be on a smaller basis. Buying for forward requirements has been lessened in expectation that new crop wheat may sell in October for something less than recent quotations.

The Wheat Board basic price will be the same for the next crop year as for the current one, but it will start over again on August at 70 cents a bushel, basis One Northern in store Port Arthur and Fort William, with a gradual addition of storage charges for farm stored wheat, until in the following July it will reach 76 cents, as will be the case in July next.

Quotas Are Off

The lid is off deliveries of wheat by farmers to country elevators. At the beginning of the week the Canadian Wheat Board removed all quota restrictions and such a condition will prevail to the end of the current crop year next July 31.

Quota restrictions were imposed last July. Every farmer had to take out a permit, after giving sworn information as to his crop acreage. To apportion equitably among farmers the limited amount of elevator space available from time to time, delivery restrictions at first were drastic. Only five bushels per seeded acre, of all grains, were allowed into country elevators.

* * *

Coarse Grains First

The first relaxation came when restrictions on grains other than wheat were completely removed. That occurred when it was demonstrated, early in the crop year, that there was a good demand for such feed grains as farmers wished to sell, and that there was no likelihood of any congestion resulting from the handling of oats, barley, rye or flax.

Throughout the season elevator companies have been able to move such grains forward to terminals as soon as carload lots accumulated, and terminals in turn have been relieved by steady shipments eastbound. Then the Wheat Board began to relax wheat quota restrictions at individual points, wherever it was found that local space available was greater than would be promptly filled by deliveries under the original quotas. This process continued gradually until the general quota could be increased to 12 bushels per acre, and a great many individual points were allowed quotas of 15 or 20 bushels per acre.

* * *

Few Complaints

The quota system has now served its purpose of ensuring that every farmer in the West has had a chance to deliver a substantial part of his crop, without all elevator space being monopolized by those farmers most fortunately situated. On the whole the system has been accepted by farmers with a great deal of good will and almost without complaint. The tendency to object, which was apparent at the beginning of the season, when the five bushel limit was in effect, disappeared as soon as it was realized that such restrictions would not last long.

Lifting the quota restrictions does not mean that every farmer will be able to find space for his grain when he wishes to haul it. At a considerable number of western shipping points there is at present unoccupied space. Some of that is not of much importance, as it occurs in districts where crops were light last fall, and where farmers have already completed their deliveries.

* * *

Still Some Congestion

At a great many points elevators are completely filled, and farmers must wait their turn until local space has been relieved by railway shipments of grain to the lake-head. But under Wheat Board regulations railway shipments may not be made from any point so long as there is unoccupied space, and railway cars may only be furnished to points where relief is obviously required. At the moment the ability of the railways to supply cars for loading at country points is restricted by the fact that they now have something over 20 million bushels of wheat in transit from country elevator points to terminals at the lake head. Only as those cars are unloaded and released to be sent westbound as empties will it be possible for the railways to maintain shipments from the country.

Comparatively few of the thousands of cars at the lake-head have yet been unloaded to make use of the terminal space made empty by grain shipments down the lakes. Since the opening of navigation the terminal elevators have kept all their machinery busy in loading vessels, and only when the first rush subsides will they be able to handle to capacity incoming shipments from railway cars.

* * *

Lake Fleet Busy

More than a million bushels a day have been despatched from the head of the lakes, and it is apparent that shipments will keep up for weeks to the full capacity of the lake fleet. Not only is there a great deal of space empty in eastern elevators due to winter consumption of grain stored in the east, but overseas shipments have been made at a very heavy rate during the past few weeks. It will presumably be some time before any congestion in eastern elevators forces a relaxation of the rate of shipment.

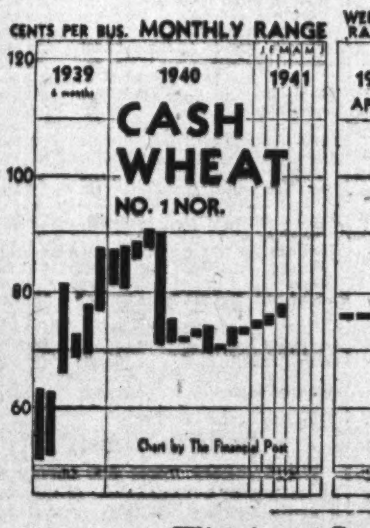
Recent transactions in eastern grain suggests that a continuation of heavy overseas movement is expected. But recent exports have been at a rate above normal British requirements for consumption. Whether or not space continues to be allotted for the carrying of wheat will depend upon entirely other considerations than nearby requirements in Great Britain.

INTER-STATE ROYALTY SHARES

From Our Own Correspondent

MONTREAL. — Montreal Curb Market has called for trading 2,310 additional class B shares of Inter-State Royalty Corp. These have been issued for cash and make total of class B shares outstanding 82,523.

Wheat Prices



Cash Quotations

	For Week Apr. 14 High	For Week Apr. 14 Low	Prev. Week High	Prev. Week Low
Wheat:				
1 Hard	.75½	.73⅝	.76	.75¼
1 Nor.	.75½	.75⅜	.76	.75¼
2 Nor.	.73½	.73½	.74½	.73½
3 Nor.	.71⅝	.71	.72⅛	.71
4 Nor.	.70⅛	.69¾	.70½	.69¾
5 Wheat	.69⅛	.68⅜	.69½	.68⅜
6 Wheat	.68⅜	.65⅜	.66½	.65⅜
Feed	.63⅛	.62⅛	.64	.62⅛
Oats:				
2 C. W.	.39	.37⅞	.38⅜	.36⅛
3 C. W.	.37⅛	.36⅛	.36⅜	.34⅜
Barley:				
1 Feed	.53⅝	.52	.52½	.51
2 Feed	.51⅛	.50¼	.50¾	.49¼
Flax:				
1 C. W.	1.61⅝	1.50⅛	1.64½	1.57¼
2 C. W.	1.59½	1.52¾	1.62½	1.55¼
Rye:				
2 C. W.	.57⅛	.53⅝	.59	.57⅞

Winnipeg Grain Futures

Week to Apr 21, 1941

Crop year from Aug. 1, 1940 High	Crop year from Aug. 1, 1940 Low		Open Apr. 15	High for week	Low for week	Close Apr. 21	Close year ago
		Wheat					
.79¾	.65⅛	May	.75⅞	.75⅞	.75⅞	.75⅞	.91
.81⅝	.77½	July	.77½	.77½	.77½	.77½	.92¾
		Oats					
.38⅜	.25¾	May	.37⅞	.38⅜	.36⅛	.37¾	.39⅝
.36½	.29½	July	.35⅞	.36½	.34⅞	.35⅞	.38⅜
.33¾	.30¾	Oct.	.33¾	.33¾	.32¾	.32⅞	.36⅝
		Barley					
.53⅝	.33⅜	May	.51	.53⅜	.50¾	.51⅞	.53⅜
.49½	.39⅝	July	.48⅛	.49⅛	.47⅜	.47⅜	.52⅜
.45⅞	.41⅛	Oct.	.43⅜	.44⅛	.43⅛	.43⅜	.51½
		Flax					
1.93¾	1.16	May	1.64	1.64¾	1.55¼	1.55½	2.27½
1.92⅝	1.29½	July	1.66	1.66	1.56⅜	1.57	2.30
1.79¾	1.44¾	Oct.	1.59	1.60½	1.53⅜	1.53¾	2.29⅛
		Rye					
.60¾	.44¼	May	.59	.59⅛	.54	.54⅞	.73⅛
.60⅝	.47⅛	July	.58¼	.58½	.53½	.53½	.72⅜
.58¾	.51⅛	Oct.	.56	.56	.51⅛	.51½	.73½

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Week in Mining

Investors on Sidelines Waiting For Bargains

Low Buying Volume Reflects Lack of Significant New Developments and Tendency to "Wait and See" on International Situation

While brokers, investment counsellors and mine financiers are unanimous in stating there is plenty of capital available for mining investment, this money is obviously not venturing far into the mining market at present. Trading volume recently has been running consistently close to record low levels with no marked preponderance of either buying or selling.

Many investors undoubtedly feel that current yields on junior golds hold attraction but that this attraction is not great enough to offset the overhanging fear of adverse developments on the international front. The bargain markets after the collapse of France last June are recalled and share buyers are mostly willing to forego possibility of immediate profits in fear of a burst of selling. If stocks do break to new low levels, however, it is likely that much new buying will materialize.

* * *

Iron in Southern Ontario?

Recently an extensive magnetic survey was carried out in Wentworth county north of Hamilton and in adjacent portions of other counties near Milton. This survey of a total of 2,000 acres is stated to indicate possibility of pockets of iron ore, according to R. N. Palmer, Toronto mining engineer.

Traces of iron magnetite ore were first found in the course of oil drilling operations near Rockton some time ago. Until drilling can be done on the basis of the results shown by the magnetic survey, however, it is impossible to draw any definite conclusion as to commercial possibilities shown by the survey. Further work is expected to be undertaken this summer.

* * *

Protecting Officials

Something new in the way of Canadian company by-laws was passed by shareholders of Dome Mines at their annual meeting this week. The by-law, which secured unanimous approval, will allow a company to indemnify officials against any suits for damage against officials in the discharge of their duty.

From what President Jules Bache informed shareholders, cases have incurred in the United States recently where officials have been "blackmailed" or placed in a difficult position in carrying out their work. The type of by-law passed by Dome has been found effective in overcoming sharp practices in this regard, Mr. Bache states.

* * *

1,000 Miles From Home

A Hudson Bay Mining & Smelting party of prospectors is now on prospecting ground in the North West Territories, more than 1,000 miles northwest of Winnipeg. The party includes six prospectors and the veteran Tom Creighton, one of the discoverers of Flin Flon, and was flown from Flin Flon to base at Padlei.

Mr. Creighton has been in charge of Hudson Bay prospecting for years. The party will be serviced by the company's plane.

* * *

Quebec Amends Legislation

Quebec has made numerous amendments to its Mining Act during the current session of the Quebec Legislature, with a view to assisting the prospector in present trying times.

Under new regulations 20 days instead of 15 must elapse before restaking of claims can be carried out by another party after a mining license lapses. Staking is not now allowed before 7 o'clock on the morning of the 21st day. Midnight restaking parties are apparently out in Quebec.

Another new regulation prevents a party from repossessing a property until 60 days after a development license lapses instead of 30 days as had been provided previously. Annual rent for development licenses has been reduced to 25 cents an acre for another period of two years.

* * *

New Manitoba Discovery

First discovery staked in the prospecting season of 1941 in Manitoba was by two well-known prospectors, H. S. Cowen and Gordon Reahill. On April 11 Cowen, Reahill and a small party staked the first group of nine claims on a tin discovery on Redsucker Lake, which lies between Island Lake and God's Lake in the northeast section of the province. The eastern end of Redsucker Lake practically touches the Ontario-Manitoba boundary line.

Cowen flew out with samples and the other members of the party stayed at the property to do some further staking and surface work for more intensive work in the spring.

Big Tonnage to West At Pamour Mine

Possibility of 2 million tons of ore in the western part of Pamour Porcupine Mines above the 600-ft. level are indicated by drifting and diamond drilling, shareholders were informed at the annual meeting.

While full information is not yet available on the situation, it appears that grade of this ore will be somewhat below mine average and that higher mining costs may be experienced due to faulting and folding.

While the 400-ft. level drift has explored the extension of the Broulan ore zone where it crosses the boundary into Pamour, the grade also appears to be lower than grade on Broulan. Pamour's No. 4 zone, however, should continue from the 400 to the 1,000-ft. level and is expected to be a factor in Pamour operations for some time to come.

Dome Officials Optimistic

Conservative optimism over the future of the mine characterized speeches of officials at the annual meeting of Dome Mines held in Toronto. Jules S. Bache, president, told shareholders that in his opinion the mine never looked better than today.

J. H. Stovel, general manager, added that the mine appears to be in as good physical position as when he took over 13 years ago. Year after year the company has been able to mill the same pennyweight of ore.

Senator A. D. McRae, director, stated that, in spite of increased expenses and heavy taxes, 45% of every ounce of gold produced by Dome represented profit.

Reviewing operating at Sigma Mines, J. G. McCrea, assistant general manager, stated that since the end of the year work on the lower levels has been satisfactory but that little had been done, as much remains to be done on the upper levels.

Diamond drilling results carried out at surface 2,000 ft. to the east have been sufficiently encouraging for Sigma to start a crosscut out to that section from the workings. Since the first of the year the mill has been worked up to an average of 1,025 tons daily from the milling rate of 750 tons daily previously in effect.

All Dome directors were re-elected.

Estimated earnings of Dome Mines for three months ended Mar. 31, 1941, were $1,019,797 or 52.4 cents a share before allowance for depreciation, depletion and adjustment of surplus or contingent accounts. In the preceding quarter earnings on the same basis were equal to 46 cents and in the first quarter of 1940 50 cents.

Uchi Calls Meet Of Bondholders

Extension of Bond Due Date Beyond Dec. 31, 1941, Desired

A special meeting of Uchi Gold Mines bondholders has been called for May 26, 1941, to consider extending the due date of the $1 million bond issue beyond Dec. 31, 1941, the present maturity.

Robert Fennell, vice-president, told The Financial Post that John E. Hammell, president, has agreed to defer both principal and interest on $350,000 of personal indebtedness in order to facilitate retirement of the bond issue as rapidly as possible.

Would Pay Pro Rata

The management desires to pay off a proportion of bond principal whenever gross profits permit. Bondholders would send in their bonds, would receive a payment on principal and then receive their bonds back with the repayment of principal payment endorsed.

Decision to ask a postponement is caused by failure of actual mining and milling operations to give results up to pre-production estimates. Before the decision to finance a 500-ton mill by a $1 million bond issue was made originally, the company's engineers estimated 650,000 tons of ore available grading $8 to $9 a ton. Costs were estimated at $4 a ton. So far $2 millions in gold has been produced. If results to date had been up to expectations, profit by now would have been sufficient to allow repayment of the entire bond issue.

No Sinking Fund Payments

The ore estimate by company engineers prior to the mill decision was concurred in by an independent engineer. Possibilities then seemed so encouraging that a 2,000-ton crushing capacity had been recommended.

Gross profits but not net profits have been realized so far; consequently there has been no money to pay into the sinking fund. Erratic character of the ore has been chiefly responsible for the present situation, it is stated.

The management feels acquisition of the Grassett, Hanalda and Jalda operations will improve the situation. Possibilities at the Grassett shaft are regarded as particularly encouraging and ore for the mill will soon be coming from there.

The $350,000 of debt owing to Mr. Hammell was incurred chiefly through installment of larger equipment than originally contemplated. Mill capacity, for instance, has been stepped up from 500 to 700 tons daily.

While the bonds are now selling around $55, it is pointed out that they were originally sold with a bonus of stock which would reduce this cost to $60 or $70 if the stock had been sold at that time.

Reports are now being drawn up on the position at the Uchi property and details of the mine position will be available when the special meeting of bondholders is convened.

Week in Oils

Big Well Comes In

From Our Own Correspondent

CALGARY. — Blowing in with one of the largest initial flows yet recorded in Turner Valley, Foothills No. 8 reached completion last week to further brighten the outlook for record breaking Alberta oil production this year, and to refocus attention on the north extension of Alberta's principal oil field.

Foothills No. 8, located in L.S.D. 12 27-20-3w5, reached completion on Wednesday morning, April 16, at 8,273 ft., 678 ft. in the Madison lime. After oil had been circulated to clear the hole of drill-fluid, the well was kicked off Wednesday night. The first few hours the yield was described as better than 60 bbls. hourly. By Friday morning, the flow had settled to around 35 bbls. hourly and the well was temporarily shut in.

Last Friday midnight the well was reopened. Starting with a very high initial flush the well had settled by Saturday morning to around 85 bbls. hourly. By 3 p.m. Sunday it had settled to a fairly steady 52 bbls. per hour and was then shut in to be readied for acid treatment.

* * *

Better Than Average Wells

But Foothills No. 8 is not the only good news coming out of Turner Valley these days. On the central west flank of the field, at least two more recently completed wells have been rated as better than average producers, further bolstering the field potential at a time when every barrel of oil that can be produced counts vitally in the Canadian War Effort.

Given acid treatments totalling 11,000 gallons, Calmont Northwest No. 3 was kicked off last weekend with a very heavy flush that settled in ten hours to between 65 and 75 bbls. per hour, comparable with the post-acid flush at nearby Calmont-Northwest No. 2, which was completed last fall. (The Calmont 2 well was operated at an initial allowable of 700 bbls. per day and is now being produced at 400 bbls. per day.) Calmont 3 was slated to start Conservation Board tests to determine allowable early this week.

Given acid treatments totalling 9,350 gallons, Independent Royalties No. 1 was kicked off last week with an initial flush of around 55 bbls. per hour. The well is expected to receive an allowable of at least 400 bbls. per day.

Recent completions Regal Royalties No. 1 and Okalta Royalties No. 10 are still undergoing acid treatment, and are expected to prove fair producers.

* * *

New Calmont Well

Calmont Northwest No. 4, central flank test in L.S.D. 2 18-19-2w5, was spudded in last week and is now making hole below 600 ft., using the heavy duty rotary rig from Calmont Northwest No. 3.

Royalite-Model No. 1, North Turner Valley test in L.S.D. 1 22-20-3w5, commenced rigging up the heavy duty rotary equipment from Foothills No. 8 early this week and was expected to spud in by the week end.

Drillers & Producers No. 1, located on the central flank in L.S.D. 13 7-19-2w5 just south of new producer Calmont Northwest No. 3, commenced rigging up the heavy duty rotary from the McColl-Frontenac Moose Dome test this week, and was also expected to spud in at the week end.

* * *

Princess Drilling

Spudded in on April 10, Standard Oil of British Columbia's Princess No. 5 well was laid down to 1,885 ft. early this week, making fast time toward completion. The Princess No. 4 well, carried to 3,217 ft., was reported testing the Sunburst sand early this week. The Anglo-Steveville No. 3 well, reported at 3,270 ft. on Monday, was believed through the Sunburst sand section and carrying on into the Madison lime.

The Clear Oils No. 1 well on the Clearwater structure has encountered a gas flow estimated at 2 million cu. ft. per day at 1,745 ft., 1,062 ft. in the Devonian limestone. Drilling is being continued below that depth. This key Foothills test recently cored an oil saturated section between 1,321 and 1,384 ft., but bailing tests showed insufficient gas pressure present in the formation at that point to warrant any extended test for production.

May Curtail Milling At New Golden Rose

In order to carry out further development work and exploration, New Golden Rose Mines may find it necessary to suspend or at least curtail milling operations for a time, the company reports.

As mentioned in the annual report, the ore position is quite unsatisfactory. Near the east end of the workings, a winze has been completed to the seventh level and the area adjacent to it has been fully explored. This work is to be continued and some further work will be carried out at the fourth level.

Kerr-Addison's Profit Jumps

A considerable expansion of operating profits took place at Kerr-Addison Gold Mines the first quarter of 1941 with expansion in mill capacity from 1,200 to 1,800 tons taking effect Jan. 23, the quarterly report reveals. The $613,860 operating profit realized compares with $447,604 for the last quarter of 1940 when average recovery was 14 cents a ton higher.

Full effect of the increase in mill capacity, however, is not reflected in full first quarter results. Average daily tonnage for the first quarter was only 1,614 tons against 1,219 tons the last quarter of 1940. During February the mill treated an average of 1,739 tons and in March an average of 1,830 tons was put through, or more than the rated capacity.

Negus Turns on Hydro Power Lists Shares at Toronto

Hydro-electric power has now been turned on at the property of Negus Mines following completion of the Yellowknife power development of Consolidated Smelters, Charles A. McCrea, Negus president, informs The Financial Post. While all the mine equipment has not yet been connected up, a substantial part has already been electrified with satisfactory results.

Delivery of power is being taken under a five-year contract recently negotiated.

Shares of the company will be called for trading on the Toronto Stock Exchange on Monday, Apr. 28.

Production for the present is to be maintained in the neighborhood of $60,000 monthly. Output for March is estimated at $58,000.

Negus Mines started as a prospecting venture with relatively few shareholders and with no public offering of stock. When the decision was made to send in a mill there was not sufficient ore developed to warrant such a step, but in view of results obtained in diamond drilling officials felt justified in the risk. As the risk was taken by the owners, nobody could complain, Mr. McCrea states.

Only 1,997,000 shares of the authorized capital of 3 million shares have been issued. A pool on 1,500,000 shares of vendor stock was broken recently and these shares have now been distributed. The company was able to reach production with a small issued capital through borrowing from the banks and other sources. All indebtedness except current accounts has now been retired.

Mining Company Reports

Bralorne Mines

An increase in ore reserves of 105,000 tons in quantity and of 0.005 oz. gold in grade highlights the 1940 annual report of Bralorne Mines. Reserves of 815,000 tons of 0.49 oz. grade at the end of the year were highest in company history.

While operating profit for the year was little changed, earnings declined to $1.22 a share—2 cents a share over the dividend requirement—compared with $1.49 a share for 1939 due chiefly to higher taxes.

Development of the Bralorne mine during the year revealed more ore than had been anticipated. After deepening the shaft 900 ft. to the 20th level, work at the 20th horizon opened up 570 ft. of ore in three veins averaging 0.495 oz. per ton over 4.6 ft. Much additional ore has been found in the beginning of 1941, it is stated.

While it had previously been thought the important 53 vein might be cut off at the 13th level, 70 ft. of drifting had been completed on the vein at this horizon at the end of 1940 with excellent ore in one or more branches for nearly the entire length.

Advances to Bralorne's subsidiary, Summit King Mines, amounted to $330,848 at Feb. 28, 1940, including $149,478 in United States funds. All United States obligations have been liquidated and retirement of Canadian indebtedness is expected shortly. While Summit King may at best be a small and short-lived mine, a satisfactory profit seems assured, Ira B. Joralemon, the company's consulting engineer, reports.

Income and Surplus Account
Years Ended Dec. 31

	1940 $	1939 $
Bullion production	3,818,784	3,767,373
Less: Production cost.	1,162,393	1,100,930
Marketing expense	66,606	66,214
Community welfare	17,408	10,016
	2,572,377	2,590,213
Add: Other income	12,571	11,750
Gross profit	2,584,948	2,601,963
Less: Adm. & gen. exp.	40,634	35,724
Depreciation	138,000	92,500
Depletion	128,000	110,000
Exploration w/o	64,219	39,295
Taxes	689,215	465,000
Net profit	1,524,880	1,859,444
Less: Dividends	1,496,400	1,496,400
Surplus for year	28,480	363,044
Add: Prev. surplus	1,758,965	1,395,921
Surplus forward	1,787,445	1,758,965
Earnings per Share and Dividend Record:		
Earned	$1.22	$1.49
Paid	1.20	1.20
No. of Shs. Outstand.	1,247,000	1,247,000
Working Capital		
Current assets	2,877,321	2,694,990
Current liabilities	1,130,474	1,019,093
Working capital	1,746,847	1,675,897

Royalite Oil Co.

Although taxes were more than doubled at $524,196 in 1940, Royalite Oil Co. increased net profit last year, with earnings after all charges, $1.22 a share against $1.05 the previous year.

Production of both oil and gas was increased last year, oil being 385,284 bbls. greater at 1,350,842 bbls. and gas up 823,058 M cubic feet to 8,785,691 M cubic feet. Increased demand in turn resulted in a step up in drilling.

Footage drilled in 1940 was increased by 34,704 ft. to 116,615 ft. Altogether the company participated in the drilling of 13 successful wells. Six further wells were being drilled at the end of 1940.

Royalite's subsidiary, Valley Pipe Line Co. handled 876,040 bbls. of oil more in 1940 a total of 7,914,680 bbls. being put through.

Income and Surplus Account
Years Ended Dec. 31

	1940 $	1939 $
Operat. income	2,613,249	2,074,464
Add: Bond int., etc.	135,643	107,482
Less: Loss on secs.	......	102,237
Legal fees & sals.	49,624	38,010
Directors' fees	500	500
Net earnings	2,698,768	2,041,199
Less: Depletion	258,922	92,076
Amort. & deprec.	993,150	840,487
Fed. & prov. taxes	524,196	233,981
Pipeline expense	10,000	20,000
Enquiry expense	......	35,690
Subsid. loss	26,207	29,543
Securities w/d	14,487	33,874
Net profit	871,806	755,548
Less: Dividends	717,487	896,034
Surplus for year	154,319	*140,486
Add: Prev. surplus	2,254,898	2,381,415
Adjustments	......	16,509
Less: Tax adjusts.	695	2,540
Surplus forward	2,408,522	2,254,898
*Deficit.		
Earnings per Share and Dividend Record:		
Earned	$1.22	$1.05
Paid	1.00	1.25
No. of Shs. Outstand.	717,487	717,487
Working Capital		
Current assets	3,244,630	2,240,498
Current liabilities	1,066,048	657,457
Working capital	2,178,582	1,583,041

Sullivan Cons.

While higher taxes cut earnings of Sullivan Consolidated Mines to 9 cents a share in 1940, against 10 cents in 1939, increases were shown in almost every other department of the company's operations.

Production increased to $1,247,705 from 123,790 tons against $1,181,163 from 123,214 tons the previous year. Ore reserves in March, 1941, totalled 407,542 tons averaging $11.20 a ton against 368,721 tons of $11.67 grade a year previous.

A board of conciliation appointed to investigate demands of employees upheld the company, president J. R. Gauvreau states in his remarks to shareholders. Higher wages and salaries were paid to certain classes of employees during the year.

No. 2 shaft was deepened from 550 to 1,150 ft. in 1940 and will permit opening of levels at 650, 750, 850 and 950 ft. The 1,050 and 1,150-ft. levels were opened up from No. 1 shaft through long crosscuts. Development costs increased in line with increased operations.

Income and Surplus Account
Years Ended Dec. 31

	1940 $	1939 $
Bullion production	1,247,705	1,181,163
Less: Marketing	13,398	13,249
Net production	1,234,307	1,167,914
Less: Devel. & Explor.	265,603	232,354
Mining	242,848	218,007
Milling	121,059	121,707
Gen. mine expense	19,239	13,874
Head office expense	20,054	16,705
Legal fees, corp. tax	6,220	6,131
Operating profit	559,284	559,136
Add: Interest	6,710	6,578
Misc. income	2,782	7,001
Total net income	568,776	572,715
Less: Depreciation	59,847	49,656
Quebec prof. tax	20,357	20,708
Development w/o	24,548	61,556
Dom. taxes	99,766	40,478
Net profit	364,258	400,317
Less: Dividends	360,000	280,000
Surplus for year	4,258	120,317
Add: Prev. surplus	416,110	302,039
Less: Tax adjusts.	1,433	6,246
Surplus forward	418,935	416,110
Earnings per Share and Dividend Record:		
Earned	$0.091	$0.10
Paid	0.09	0.07
No. of Shs. Outstand.	4,000,000	4,000,000
Working Capital		
Current assets	458,878	452,155
Current liabilities	163,997	113,959
Working capital	294,881	338,196

Guysborough Mines

Increased production failed to offset higher taxes at Guysborough Mines in 1940 and net profit for the year dropped to $23,860 or 4 cents a share, from 5 cents the preceding year.

Following the theory of zones of favorable action work was carried out on the zone near the shaft in 1940 but with no success. Directors have decided to put all further operating profits into development "until the situation has clarified itself."

Income and Surplus Account
Years Ended Dec. 31

	1940 $	1939 $
Metal sales	282,835	244,906
Less: Marketing	3,369	3,041
Net production	279,466	241,865
Less: Development	79,375	63,465
Mining	58,305	59,032
Milling	34,538	22,428
Gen. mine exp.	21,483	15,359
Mine off. & super.	18,782	18,002
Admin. expense	3,601	1,847
Oper. profit	63,382	61,732
Add: Other income	......	1,294
Net earnings	63,382	63,026
Less: Deprec.	23,294	19,889
Development w/o	......	6,057
Taxes	16,228	5,679
Net profit	23,860	31,401
Less: Dividends	29,497	......
Surplus for year	*5,637	31,401
Add: Prev. surplus	24,522	*3,726
Less: Buildings w/o	......	3,153
Surplus forward	18,887	24,522
*Deficit.		
Earnings per Share and Dividend Record:		
Earned	$0.04	$0.05
Paid	0.05	nil
No. of Shs. Outstand.	589,928	589,928
Working Capital		
Current assets	89,064	95,768
Current liabilities	36,053	27,309
Working capital	53,011	68,459

Jason's Output Over Objective

Open New Ore in March Drilling Extends Main Vein

Production of $66,141 or $2,133 a day during March by Jason Mines was well over objective recovery, Col. E. M. Thomson, president, informs The Financial Post. Altogether 4,009 tons of ore were milled after sorting out 1,085 tons of waste, resulting in an average recovery of $16.50 a ton.

In February 3,729 tons of ore were put through the mill with recovery of $58,431 or $15.67 a ton. In January only $56,735 was recovered with 4,171 tons put through the mill.

"Better Than Average" Ore

During March a total of 304.5 ft. of development was completed at both shafts. Of this 279.5 ft. was in ore of better than mine average grade. Principal results in the month were: 43 ft. of ore in the 221 sub-level which averaged $22.22 across 33 inches; 147 ft. of ore in 411 sub-level which ran $20.15 across 23 inches, and 25 ft. in 411 raise which ran $34.61 over 88 inches.

Diamond drill hole 20J located 500 ft. west of hole 16J and designed to establish persistence of No. 1 vein at depth returned two important core sections. The first assayed $18.90 over 10 inches and disclosed a new vein lying about midway between Nos. 1 and 2 veins. The second, which ran $10.42 across 42 inches, after careful elimination of considerable visible gold, confirmed ore values in the main No. 1 ore body to a vertical depth of 800 ft. or approximately 1,500 ft. along the slope.

Drill hole 19J which was located 660 ft. north of 16J was put down to cut the downward extension of the ore shoot located in the Camrock drive to the north on the 200-ft. level of No. 1 shaft. This hole located the vein returning $3.85 over 40 inches.

Another drill hole located the new vein indicated by similar work from the 200-ft. level of No. 1 shaft. The intersection at the 400-ft. horizon assayed $11.55 over 3 ft. and confirmed a vertical slope depth for the vein of at least 400 ft.

See 'New Mine' At Cariboo

B. C. Vein Viewed of Major Importance to Cariboo Gold Quartz

From Our Own Correspondent

VANCOUVER.—"I think it's fair to say that we have a new mine," declared President Dr. W. B. Burnett at the annual meeting of Cariboo Gold Quartz Mining Co., referring to the establishment of contact with the "B. C." vein at depth.

Managing Director Randal R. Rose told shareholders it was not yet established that the vein extended direct from the surface to the 15 main crosscut, but the assumption was reasonable in view of the strike and the dip of the occurrence.

Believe Contact Established

"No other vein showing on the surface would likely be cut in that neighborhood," said Mr. Rose. "There is a remote possibility that the vein was split and that we have encountered only one leg of it, but we don't believe there is much doubt that we have definitely established the contact."

Mr. Rose said the ground was heavy and progress might be slow in bringing the new ore into production. It had been agreed, he said, to terminate the 15 main crosscut and then drift in both directions on the vein, eventually to tie the new development into the main haulage system. Purpose of the drifting now was to find the continuation of the "B. C." vein. Sinking of the new shaft would begin by mid-May.

Must Expect Fluctuation

Mr. Rose said that over a seven-year average the annual tonnage was about 40,000 to 50,000, and, in view of the multiple vein structure, it was advisable to keep ore supply well in advance of actual need.

Russell Spry, consulting metallurgist, reported on the milling operations and said that a 350-ton daily tonnage was being maintained satisfactorily. Increase in grinding equipment might be necessary if milling went over 375 tons daily.

Mr. Spry said ore from the new area was closely associated with galena, resulting in a more complex metallurgical problem. San Francisco experts had been experimenting and it was possible that high-grade galena might be concentrated, the gold extracted and the tailings cyanided.

Dr. Burnett reminded shareholders that advancement in milling practice had enabled the company to handle ores which years ago would have been regarded as useless.

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Profit Lower At Broulan

A drop in quarterly earnings before taxes of Broulan Porcupine Mines to $119,850 or 4.4 cents a share the first quarter of 1941 from $200,685 or 7.4 cents a share the preceding quarter was due chiefly to a factor not directly affecting the company's operations, the quarterly statement reveals. Earnings the last quarter of 1940 had been boosted to a record figure by a non-recurring clean-up of $64,746 from Mace mill clean-up.

Change Mining Method

Production for the Broulan first quarter was slightly lower, due to a changeover in mining methods. Output for the period amounted to $285,876 from 31,611 tons of ore for an average recovery of $9.03 a ton. In the last quarter of 1940 $299,027 was recovered from 30,419 tons of ore, an average of $9.83 a ton. Decline in average recovery was stated to be due to pulling broken ore from shrinkage stopes in low-grade ore bodies to change these stopes over to "cut and fill."

Total operating costs for the first quarter of 1941 showed a reduction at $4.14 a ton. This compared with $4.48 and $4.47 a ton in the third and fourth quarters of 1940, respectively. Operating costs of $3.80 per ton for March indicates the possibility of reducing costs below the third quarter figure, it is stated.

At Bonetal Gold Mines—which Broulan is assisting in financing—the shaft, including a pumping station, is expected to be complete with crosscutting under way to the ore zone during April.

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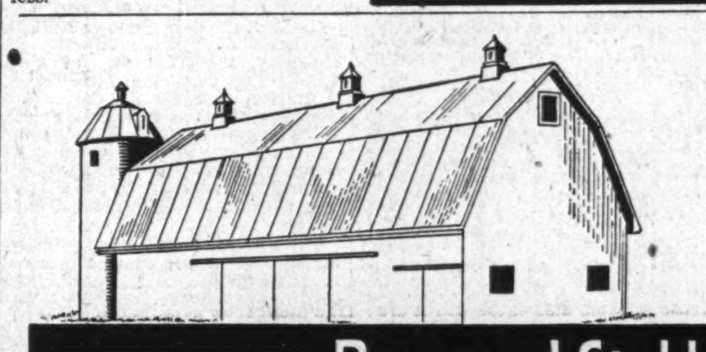

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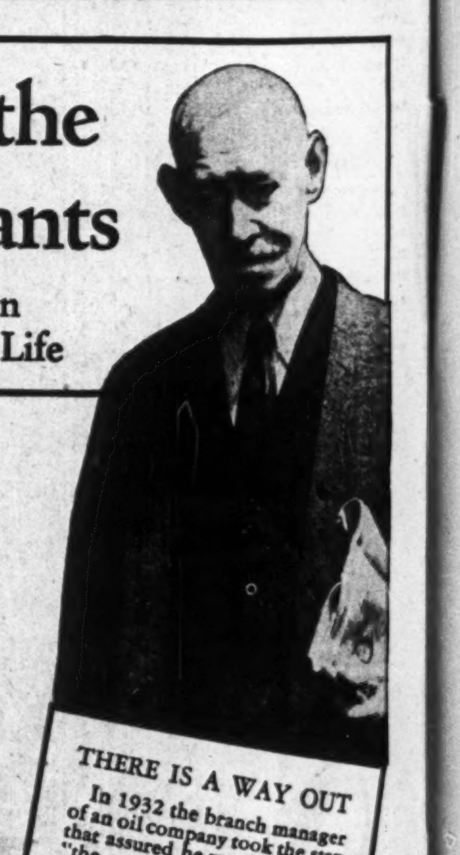

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IMPERIAL LIFE

Long War, Heavier Taxes Determine Choice

Seventh Honorable Mention

Contest Winner's List

This week The Financial Post presents the seventh of the honorable mention portfolios in its contest on "Investing in Canada's Mines." The entry is that of Arthur D. Styles, research economist, British Purchasing Commission, New York.

As was the case with prize-winning entries and portfolios published here in recent weeks, opinions expressed are those of the writer and do not necessarily represent those of either The Financial Post or the contest judges.

By ARTHUR D. STYLES

Two basic factors which influence the course of equity prices may be distinguished at the present time despite the fact that the investment horizon is unusually beclouded. In war certain assumptions must be made in appraising the outlook for securities.

We assume the existence of a long war and the attendant bullish factors—rising prices and an increasing volume of business, subject, of course, to temporary reversals. But against these favorable market influences must be set the proximity of heavier taxation as the war progresses.

Only the latter has so far affected the market for equities. Though business volume has been making new highs, net earnings are relatively depressed because of the incidence of present and prospective taxes and common stocks are thus selling on a low times-earnings basis.

The possibility of inflation as the war progresses must be recognized. True it has not yet shown itself to any extent in this country but when the present surplus of labor and productive facilities is fully utilized we may be faced with the problem of controlling prices—particularly if Government deficits are more largely financed by bond issues.

Bearing these two basic market influences in mind, investment in Canada's mines could best be made under the following classifications: Stocks for long term holding with emphasis on capital appreciation possibilities and stocks for medium term holding with emphasis on yield rather than capital appreciation.

Stocks for Long Term

	% of Funds Invested
Asbestos Corporation	20.2
Consolidated Mining and Smelting	15.9
Hudson Bay Mining and Smelting	15.3
Noranda Mines	11.3
International Nickel	7.3
	70.0%

Stocks for Moderate Term

	% of Funds Invested
A. Major Gold Stocks—	
Lake Shore	6.0
McIntyre-Porcupine	5.0
Wright-Hargreaves	4.3
B. Junior Gold Shares—	
Macassa	3.4
Bralorne	3.3
Sigma (Quebec)	2.6
Kerr-Addison	2.1
Preston East	1.7
East Malartic	1.6
	30.0

It is proposed that the business man should invest $17,500 in the first group, which consists of those mining securities which give evidence of long term appreciation possibilities, after having due regard to both the effects of increased taxation and, at a later date, to the effects of inflation. In the present year they might conceivably react as war taxes are progressively increased but in all instances they will prove excellent media for capital protection when inflation develops at a later date.

Taxes and the Market

At present war taxation is the most important factor affecting the outlook for Canadian mining securities. In the appended tabulation an attempt has been made to appraise the effects of an extended war on the earnings of these companies. For this purpose we have applied to each of the five securities selected under Group 1 the 1940 British tax schedule on the theory that similar severe taxation might be resorted to by the Canadian Government to finance its increased participation in this war. The results may be seen in the accompanying table.

International Nickel and Asbestos Corp. are excellent inflation holds not only because these companies will automatically benefit by higher commodity prices but also because they represent an equity in and a claim on all corporate earnings except those which go to senior securities.

Appreciation in this list might be deferred for the duration of the war. This appears so, partly because taxes will limit net earnings and partly because the output of these mines, in most cases, has been requisitioned by the Government at a set price. This, of course, places a ceiling on earnings and thus on the value of the securities being considered. Except for Consolidated Mining and Smelting and Asbestos Corp., copper sales are a determining factor in earnings for these companies and, after filling the United Kingdom Government's requirements, there is not much copper sold by these companies at market prices to industrial users. However, they have valuable earning backlogs in gold, zinc and lead.

Asbestos Corporation is a separate picture in that its output has not been requisitioned by the Government. It is protected against the worst features of inflation in that it mines its own product while the loss of European markets has been offset by increased sales to the United States.

Higher Taxes Discounted

The table shows the extent to which the prices of these securities have discounted the effects of future taxes on earnings. In the case of many specific securities, not included in this portfolio, the effects of excess profits taxes have not been discounted on the average. Though the securities chosen may be discounting in their present prices future value if, when and as more drastic taxes are applied, the majority of the securities not included have not fully discounted the incidence of heavier taxes. And if the provisions of any future Canadian tax schedules do not approach the 1940 British tax structure in intensity, these five securities selected under Group 1 are more apt to increase in price than those which are presently selling relatively higher.

Other things being equal, Asbestos common and Consolidated Mining and Smelting common appear to be in the best position to withstand the imposition of increased taxes. See the table showing estimated earnings per share after a more stringent tax rate has been applied. The respective earnings per share of the companies considered are capitalized on the basis of 15 times earnings to give an indicated market value.

The demand-supply position of the principal metals which these companies produce is particularly tight, so that part of the output of these mines which goes into industrial channels (as distinct from government sales) presently commands and will continue to command, for the duration of the war at least, premium prices. This applies to zinc, particularly electrolytic, and it is a favorable factor in considering the output for Consolidated Minings, Smelting and International Nickel.

Diversified Risks

Investment in gold shares falls into Group 2, and is subdivided into two categories: major gold producers, which are entitled to investment rating; secondly, junior producers where, because of the risk element involved, we have only committed 15% of the funds available and where the risk has been diversified by including a relatively large number of gold mining securities.

The gold group represents a sound investment and an excellent medium for capital conservation in the over all war peace picture for those who, like the writer, believe that the price of gold over the next few years will be maintained.

Any recommendation of gold shares presupposes, of course, that gold will continue to retain its present value. Though it is a matter of much controversy, it seems that gold will remain a standard of value and a medium of settling international indebtedness. It is on this basic belief that ownership of gold shares must be predicated.

On patriotic grounds investment in Canada's gold mines is a contribution to Empire defense particularly if the proceeds are used for developing new mining properties. The readiness of the United States to buy gold has made it possible for Great Britain to finance its purchase of war supplies in America, despite the Johnson Act's prohibition of sales to nations on credit that defaulted on World War debts.

Mutual Interest in Gold

The British Empire, because it produces over half of the world's gold, and the United States, because it owns over 75% of the world's mined gold, have a common interest in preserving the price of gold. The only way to protect its value is for the United States to continue taking it at the current price.

In considering individual gold shares apply the following yardsticks:

The liability of the mine to taxes.

The situation of the mine on operating costs.

The life expectancy of the mine.

Retainable net income per share after application of 1940 British Income Tax schedule.

The ability to maintain present dividends.

There are some favorable factors in the revised Canadian Income Tax law as it concerns mining operations, even though it has some repressive features. There is a provision which allows a company to deduct a third of its operating profit before computing income taxes. A new company is exempted from income taxes for a period of three years, while the normal income tax is only 18% compared with 15% formerly.

Unfavorable from the mining company and its shareholders' point of view are: (a) A 12% tax on operating profit after depletion if there are no excess profits; and (b) A tax of about $1.25 per ounce of gold mined on the excess profits which results, for instance, from the premium on the price of gold.

True, they will tend to depreciate as inflation progresses, but the effects of such a development of gold company earnings will be lessened by mining higher grade ore and milling more of it. A number of the junior gold companies have only recently increased their milling facilities. For this reason, we have attempted to include in the portpolio companies which in the past year or so have increased their milling capacity and/or which have higher grade ore reserves available.

Long Term Investments

Company	Year of peak earnings	Earned per share 1939	Net per share after application of 1940 British tax schedule to peak year earnings	Present price Jan. 23/41	Indicated market price*	Indicated possible decline in market price† %	Present dividend	Indicated dividend‡	Probable yield
Asbestos	1938	$2.13	$1.57	$16½	$23½	†23.6	$1.20	$1.00	4.2%
Consolidated	1937	3.14	2.45	39	36¾	5.7	2.25	1.75	4.8
Inter. Nickel	1937	2.39	2.10	35¾	31½	11.9	2.00	1.75	6.0
Noranda	1939	4.98	3.32	56	49¾	11.2	4.00	2.65	5.3
Hudson Bay	1937	2.72	1.55	25	23¼	7.0	1.75	1.15	4.9

* Based on a market price of 15 times earnings shown in column 3.
† This column indicates the extent to which present market prices have not fully appraised the effects of potential taxes on earnings.
‡ This bears the same relationship to indicated net earnings, after British tax schedule, as actual 1939 dividends bear to 1939 earnings.

Moderate Term Holdings

Company	Tons per day	Mill began	Total shares (000)	Indicated ore tons (000)	Grade ozs. per ton	Years' supply	Value per share with gold $35	Value per share with gold $41*	Estimated current operating costs (less taxes and deprec.) per ton milled	Estimated current operating costs (less taxes and deprec.) per ounce of gold	Approximate years necessary write-off †
Senior Golds											
McIntyre	2,500	1912	798	4,245	.331	4.6	$62	$73	$5.20	$18.50	8
Lake Shore	2,500	1914	2,000	‡	‡	‡	‡	‡	7.50	15.50	6
Wright Harg.	1,200	1921	5,500	1,517	.530	3.6	5.12	6.05	6.60	13.30	10
Junior Golds											
Bralorne	550	1932	1,247	710	.485	3.8	9.66	11.42	6.60	11.40	6
Sigma	1,000	1937	1,000	877	.213	3.0	6.54	7.71	4.10	18.60	9
Kerr Addison	1,800	1938	4,730	4,083	.285	6.2	8.60	10.16	3.15	14.38	7
Macassa	500	1933	2,678	379	.469	2.4	2.32	2.74	6.62	14.70	12
Preston	600	1938	3,000	564	.244	3.0	1.60	1.90	4.13	11.64	4
E. Malartic	1,500	1938	4,000	2,913	.193	4.7	4.94	5.83	2.21	12.25	16

* President Roosevelt still retains the power to increase the price of gold to $41.34 an ounce.
† Length of time necessary for an investor at the 1939 rate of earnings to recoup (in the form of cash equity) the market price of the stock (less net working capital, book value of outside investments and depletion write-offs) after allowing for a 7% return on capital paid out and 3% compound interest on that portion not paid out.
‡ Not available.

Mining Concentrates

Cournor Mining Co. produced $51,954 from 6,252 tons of ore milled in March; average recovery $8.31 a ton. Of ore milled, 65.1% came from Beaufor mine and 34.9% from Cournor. An ore length of 300 ft. has been opened up in the Creek Ore Zone on the 687-689 vein with face still in ore. The ore body is quite flat-dipping and has a greater width than drift, it is stated. The raise in this area reached surface but it will be used for ventilation only for the present. Slashing during stope preparation on 778 vein indicated a larger tonnage of ore than estimated in original development. Diamond drilling in the Beaufor mine indicated a new vein lying above the 508-501 vein structure. First drill hole ran 0.70 oz. over 2.9 ft., a second hole gave 2.22 oz. over 1.6 ft. while a third hole averaged 0.15 oz. over 1.7 ft.

* * *

Central Patricia Gold Mines increased tonnage of ore milled the first quarter of 1941 over corresponding period of 1940:

Quarter ended:	Tons milled	Tons daily	Recov. per ton $	Total recov. $
Mar. 31, 1941	32,869	365	16.01	526,311
Mar. 31, 1940	21,596	303	17.65	487,130

* * *

Francoeur Gold Mines showed increased production in March:

1941:	Tons milled	Tons daily	Recov. per ton $	Total recov. $
March	6,772	218	6.69	45,276
February	6,371	228	6.75	43,024

* * *

Gold Belt Mining Co. reports highest monthly production since Jan., 1939, for March:

1941:	Tons milled	Tons daily	Recov. per ton $	Total recov. $
March	5,268	170	11.58	61,012
February	4,527	162	12.55	56,817

* * *

Halliwell Gold Mines balance sheet Dec. 31, 1940, shows current assets of $46,773 with no current liabilities. Current assets included $13,466 cash, a $23,350 loan to Dominion Fluorspar Co. and $9,875 in Dominion bonds. Expenditures exceeded income by $28,166 in 1940.

* * *

Lake Shore Mines showed further decline in output the first quarter of 1941 as shown below:

Quarter ended:	Tons milled	Tons daily	Recov. per ton $	Total recov. $
Mar. 31, 1941	151,629	1,685	14.45	2,191,596
Dec. 31, 1940	152,647	1,659	14.99	2,288,890
Sep. 30, 1940	154,179	1,676	16.81	2,592,357
June 30, 1940	167,872	1,845	18.00	3,022,379
Mar. 31, 1940	177,727	1,953	16.79	2,984,480

* * *

Madsen Red Lake Gold Mines showed further increase in production in the first quarter of this year as shown below:

Quarter ended:	Tons milled	Tons daily	Recov. per ton $	Total recov. $
Mar. 31, 1941	36,507	406	8.20	299,179
Dec. 31, 1940	33,657	366	8.31	279,545

* * *

Mandy Mines remained inactive during 1940 and conditions do not warrant any work at present, President W. L. Haehnlen states in the annual report. Balance sheet Dec. 31, 1940, shows deposits of $1,336 and $161,085 of securities, market value $19,982. In addition, 80,000 shares of Callinan Flin Flon Mines were held and stores were carried at $7,199. Current liabilities were $2,906. Development account was increased $6,051 during 1940.

* * *

Malartic Gold Fields increased output in March with $151,267 recovered from 19,542 tons of ore against $145,976 from 16,699 tons of ore the previous month. Drifting was carried out in the north zone on the first three levels. Drifting east on the B and G ore zones gave 87 ft. of 0.21 oz. grade and 37 ft. of 0.07 oz. grade. To the west on G ore zone at the second level, 77.5 ft. averaged 0.24 oz. On the level below 9.7 ft. averaged 0.29 oz. in B zone while drifting to west on G zone exposed 62.5 ft. running 0.27 oz. Drifting east on F ore zone at the third level gave 30 ft. running 0.28 oz. At the fourth level west A ore body gave 35 ft. of 0.26 oz. grade ore while drifting in the same direction on D ore body opened 93.5 ft. of 0.21 oz. grade ore over drift width. The A ore body on the fourth level is considerably larger than on the levels above.

* * *

Moneta Porcupine Gold Mines showed a slight decline in net profit for the first quarter of 1941 with earnings of $114,626 equal to 4.5 cents a share against $118,603 or 4.7 cents a share the preceding quarter. Output was slightly higher, however, at $275,480 from 15,857 tons of ore milled against $271,226 from 16,169 tons the quarter before.

* * *

O'Brien Gold Mines showed increased production for its latest quarter:

Quarter ended:	Tons milled	Tons daily	Recov. per ton $	Total recov. $
Mar. 31, 1941	17,435	194	14.25	248,491
Dec. 31, 1940	16,674	181	14.32	238,697

* * *

Perron Gold Mines increased production in March with $164,668 recovered from 12,152 tons of ore milled against $155,806 from 11,900 tons the preceding month. Diamond drilling cut the upward extension of 101 vein 45 ft. above the level with 1.9 ft. running 0.10 oz. and 1 foot running 0.7 oz. The 197 vein was cut 20 ft. above the 175-ft. level running 5.40 oz. gold over 2 ft. while the downward extension of 723 vein was cut 29 ft. below the 625-ft. level grading 0.01 oz. across 1.3 ft. The 723 vein was extended 100 ft. to the east in hole No. 691 with 19 ft. running 1.15 oz. gold. The 812 vein previously developed on the 825 and 925-ft. levels was located on the 1,025-ft. level running 0.7 oz. over 3 ft. A 3-ft. vein was located in the north crosscut at the 1,250-ft. level.

* * *

Straw Lake Beach Gold Mines has received payment for April 15 underwriting of $500 under amended agreement of Mar. 1, 1941, with A. Ellenson. Issued capital is 3,701,145 shares, leaving 798,855 shares in the treasury.

* * *

Upper Canada Mines has increased its dividend distribution with 4 cents a share payable May 31, to shareholders of May 15. Payments had been made previously at the rate of 3 cents a share a quarter, the most recent distribution being on Feb. 28.

* * *

Yama Gold Mines is said to have encountered new high-grade ore in cutting its station at the 125-ft. level.

Mining Enquiries

Dumico Gold Corp.

In your coverage of the annual report of Beattie Gold Mines you mention that financing of Central Duparquet Mines, formed to take over the property of Dumico Gold Corp., is being undertaken. As a Dumico shareholder, I would like some details on the basis on which the property was taken over.

The deal between Dumico Gold Corp. and Beattie Gold Mines secured approval last October. The agreement called for formation of a new company — Central Duparquet Mines—with a capitalization of four million shares.

Stock in the new company to the extent of 1.4 million shares was to be issued to Dumico with Beattie agreeing to purchase 300,000 shares. The remaining 2.3 million shares were to be optioned to Beattie at prices averaging 25 cents per share. In previous underground work it was reported that 140,000 tons of ore grading approximately $6.65 per ton had been outlined.

Shareholders of Dumico are to receive one share in the new company for each three shares held. It is likely that these shares will be held in pool until financing is completed, and as a shareholder of Dumico you will not likely receive your new shares immediately.

Kerr-Addison

What is the present earning position of Kerr-Addison Gold Mines? Does the mine situation seem to suggest a further increase in mill capacity?

Kerr-Addison Gold Mines is now estimated to be earning in the neighborhood of 45 to 50 cents a share per annum with its mill increase from 1,200 to 1,800 tons a day in effect. A dividend of 5 cents a share has been declared payable April 28, 1941, just two months after payment of a similar amount.

In spite of the rapid increase in mill capacity, ore development has been even more rapid. The milling rate may be increased slightly over the 1,800 tons per day rate but a major increase to say 3,000 tons a day will probably have to wait until the present big development programme is well in hand.

This development programme involves sinking the shaft another 10 levels and the opening up of the ore zone at numerous new horizons. With work on the upper levels in 1940 indicating much more ore than had been revealed on the upper horizons the results of work at depth will be followed with keen interest. Indicated ore is perhaps sufficient for nearly a decade of operations at the present milling rate. Much development work remains to be done to place much of this ore in the proved category, but with the big widths showing present estimates could easily be exceeded.

Stadacona-Rouyn

As a shareholder of Stadacona-Rouyn Mines I would be interested to learn what recent developments have taken place in the company's affairs. Has there been any attempt at reorganization?

Noteholders of Stadacona-Rouyn Mines have been active recently in an attempt to secure some reorganization of the company. A meeting was held in Montreal last month at which $650,000, or approximately half of the company's notes were represented either in person or by proxy. This committee, of course, can only represent the $650,000 of notes, but it is possible they may swing further support in behind them.

The plan advanced previous to the March meeting would involve the issue of two shares of the company's capital stock for each $1 par value of notes. This, together with the 3 million shares already issued would give a total outstanding capital of 6 million shares, it was estimated.

After this proposed step had been taken, it was planned to form a new 3 million share company with one new share issued for each three shares held. This would leave 1 million shares in the new company's treasury for financing. It was believed that with this capital set-up, sufficient funds could be secured to take the company out of liquidation.

BELL ISSUES SHARES
From Our Own Correspondent

MONTREAL. — Bell Telephone Co. of Canada has advised the Montreal Stock Exchange that 734 shares of capital stock have been issued under the employees' stock plan. Outstanding stock now totals 825,119 shares.

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Some Strikers Back to Work Others Threaten New Disputes

Threat of production tie-ups in war plants and allied industries, through sudden strikes and prospect of additional walkouts, was eased in some sectors of the labor front during the past week. In several important cases workers were induced to continue at work and try to settle disputes by negotiation.

At the same time, at other points there were signs that the gathering unrest among some groups of industrial workers was far from being abated. Possibility loomed of further labor disturbances and work stoppages, notably in the war-vital steel and metal working industries.

Miners Resume Work

Early this week coal miners in the great Cape Breton coal field of Nova Scotia, estimated to number about 10,000, went back to the pits after a walk-out lasting some days. The strike was in protest against acceptance by regional union officers of the award recommended by a conciliation board to settle a dispute with various colliery companies. These signs of a revolt aimed at ousting several union officers and pressing original demands through new spokesmen.

The outlaw strike completely paralyzed activity in the major collieries of the area for five days. Not since March, 1925, has a strike of miners in the Maritimes been on so large a scale.

Affected by the walk-out were 10 mines of Dominion Coal Co., employing about 6.650 men and two pits of Nova Scotia Steel & Coal Co., employing 1,950 men. Both are subsidiaries of Dominion Steel & Coal Corp.

Last week was marked by the return to work of three groups whose strikes were officially declared illegal, in that they violated the ban on war industry strikes before conciliation proceedings under the Industrial Disputes Investigation Act. These included the cases involving 300 employees of Halifax Shipyards Ltd., subsidiary of Dominion Steel & Coal Corp.; a similar outlaw strike of woollen mill workers at Oshawa, Ont.; and several hundred employees of a paper mill and a conduit plant at St. Johns, Que.

Threats of strikes of major import which still hovered over war plants and auxiliary industries at mid-week included the spreading walk-out of lake seamen enrolled in the Canadian Seamen's Union. This group is deadlocked with several shipping companies which refuse to embody a conciliation board award of last year in a contract with what the firms regard as a "Red-controlled union."

There was also reported danger of work stoppage in several basic steel plants. Union workers in Peck Rolling Mills plant in Montreal at midweek walked out on strike in protest against a conciliation board majority award which found against any wage or bonus increases. There was also threat of trouble at the National Steel Car Corp. main plant in Hamilton, with the union insisting that an interim report of the conciliation board in this case be carried out by reinstatement of several men, before conciliation hearings on other matters could be continued.

The conciliation board on the dispute between Peck Rolling Mills Ltd. and its employees recommended no wage increase be granted. The concern is the Montreal subsidiary of Dominion Steel & Coal Corp. Failing agreement 324 employees walked out middle of this week.

Hon. Norman McLarty, Minister of Labor, states that the board found wages at the plant higher than those prevailing in the 1926-29 period, which Government policy has set as the desirable ceiling for war wages.

In addition the conciliation board found that the company had given its employees a 15 cents a day cost-of-living bonus since September. Since that date increase in cost of living was set at 5%.

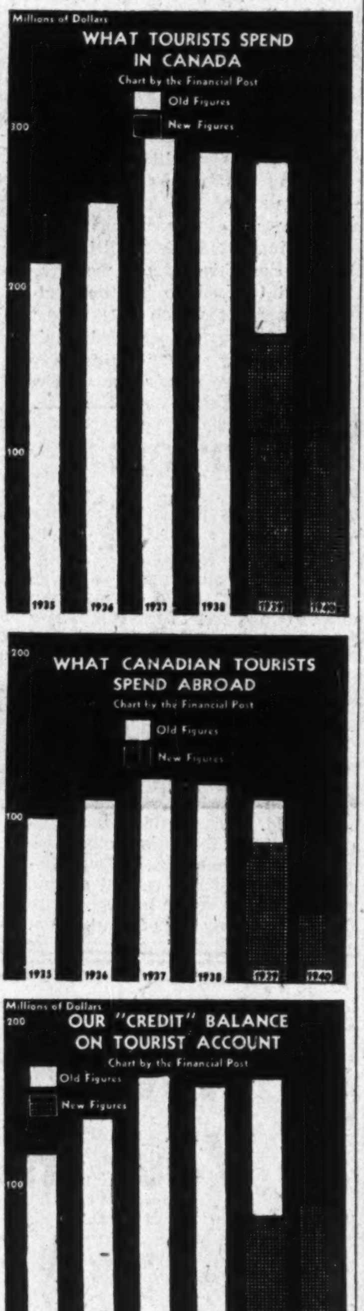
The conciliation board advised that the local branch of the Steel Workers' Organizing Committee be recognized by the company as a collective bargaining agency for union employees.

Dispute at St. Johns

About 220 employees of Kraft Paper Products Ltd. and Cable Conduits and Fittings Ltd., St. Johns, Que., returned to work after a brief walkout. The companies affected are engaged on war work.

Men returned after the Dominion Department of Labor ruled the strike illegal. Decision was based on the Industrial Disputes Investigations Act, which bars strikes in war plants unless disputes have first been submitted to boards of conciliation.

The Tourist Industry



Graphically presented here are the dollars and cents of Canada's tourist trade which is dealt with in detail on page 9 of this issue.

Canadian Dredge Outlook Better

Hopes to Secure Some Large Contracts This Year

Canadian Dredge and Dock Co. is preparing plans and specifications for a number of large projects both for government and private interests, according to A. M. German, vice-president and general manager. Mr. German hopes these will materialize during the current year.

The Kingston depot, hitherto used largely for repair work, is rapidly developing into a producing unit, he states. No further statement was made regarding the St. Lawrence Waterway Development.

Bond Sales

Treasury Bills

New wartime low yield basis of 0.586% was reached with latest sale of Dominion of Canada Treasury Bills, amounting to $40 millions at an average price of 99.85729. Issue is dated April 18 and payable July 16. Previous wartime low of .60% was reached on the preceding Treasury Bill issue.

Forest Hill, Ont.

Village of Forest Hill reports sale of $64,022 in 3½% installment debentures to Frank L. Craig at 100.50, a cost basis of approximately 3.37%. Entire issue is dated May 15, 1941; $30,227 will be outstanding for ten years, $3,795 for 15 years and $30,000 for 20 years. Tenders received for the issue include the following:

Frank L Craig	100.50
Dominion Securities Corp.	98.297
Dyment Anderson & Co. } Cochran Murray & Co. }	97.77

Can. Breweries Profits Hold

Expect This Year to be Better Than Last — Sales Rise

Profits of Canadian Breweries Ltd. in the current year should exceed those of last year in spite of higher operating cost and increased taxes, according to E. P. Taylor, president. Profits for the first six months of 1941 will be about equal to those of 1940 in spite of substantial non-recurring earnings a year ago. Sales volume has expanded sufficiently to take care of the new taxes and increased costs while permitting an improvement in net profit.

The company paid over $1 million more than in the previous year to the Dominion and Provincial Governments in excise and sales taxes last year.

Sale of the $500,000 5% series B serial debentures, due 1947 to 1951 inclusive, last year, was required to provide cash to buy the minority interest in Reinhardt Brewery Co. Purchase terms were 50% cash and the balance over a three-year period.

As sinking fund retired $175,000 of earlier maturities, net increase in funded debt last year was $325,000. Mr. Taylor stated that much of this debt is now held by leading financial institutions, including some ten life insurance companies.

N. W. Utilities Ltd. Expands Services

S.E.C. Gives Authority to Finance 100 - Mile Pipe Line

Expansion of the operations area of Northwestern Utilities Ltd., following the increased output of 1940, is outlined in the annual statement of the parent company, Dominion Gas & Electric Co. Rate reductions in the last quarter of 1940 were promotional, to increase sales.

During 1941 and 1942 Northwestern plans to extend its transmission system approximately 100 miles south from its present main line to serve five additional centres, including Red Deer, Alta. Cost of the extension will be about $1,650,000, including acquisition of the property of Vegreville Gas Co., which furnishes gas to Vegreville from the main pipe line of Northwestern Utilities.

This amount, together with $750,000 to be spent on existing system, is to be financed by sale of $500,000 of common shares of Northwestern to parent companies, and the sale of additional 4½% first mortgage bonds of Northwestern Utilities to other buyers. Permission to carry out this financing was obtained from the Securities and Exchange Commission on March 21, 1941.

Dominion-Scottish Reduces Arrears

Dominion - Scottish Investments Ltd. has declared a dividend of $1.05 a share on its preference stock. Payment will be made June 2, 1941, to shareholders of record May 20, subject to approval of the Foreign Exchange Control Board.

This will reduce arrears on the preference stock to $5.75 a share from $6.17½ a share following the payment made March 1, last.

Viau Ltd. Sales Rise In First Two Months

From Our Own Correspondent

MONTREAL.—Sales of Viau Ltd. for February and March showed a substantial increase over the corresponding months last year, it was stated, following the annual meeting of shareholders. Earnings are being well maintained.

MARITIME TELEGRAPH

Maritime Telegraph & Telephone Co. has placed privately through W. C. Pitfield & Co., $1 million of refunding and general mortgage bonds. The new bonds, series "D," rank equally with the series "B" and "C" bonds already outstanding. Interest rate is 4% and maturity is Apr. 1, 1971. Proceeds are to reimburse the company for capital expenditures.

Cut Non-war Use Of Aluminum

From Our Own Correspondent

MONTREAL. — Non-war consumption of aluminum has been curtailed from 1,000 tons a month to less than 25 tons, Hon. C. D. Howe, Minister of Munitions, has revealed.

The Dominion Government has banned use of the metal for domestic purposes and imports have been controlled to make available for war needs maximum supplies.

Abitibi Earnings At Peak Levels

First Quarter This Year Shows 38% Higher Net Earnings Than Year Ago

Earnings of Abitibi Power & Paper Co. for the first quarter of 1941 were $461,915, or 37.85% above those of the corresponding months of 1940. March showed the largest gain.

With indicated shipments of newsprint for April estimated by G. T. Clarkson, receiver and manager, at 34,000 tons compared with 30,798 tons in April last year the gain should continue although April earnings may not reach March levels. Indicated shipments of bleached sulphite pulp for April are 6,800 tons, substantially above both March this year and April of last year.

Net earnings as published are before depreciation, requiring $148,750 a month, and bond interest which amounted to $291,613 in March including interest on overdue interest. March earnings included $123,396 received as premium on U.S. dollars.

Monthly Earnings

	1941 $	1940 $	Incr. %
January	*476,993	447,776	6.52
February	*517,915	389,594	32.94
March	*687,529	383,152	79.44
	1,682,437	1,220,522	37.85

Newsprint Shipments (Short Tons)

	1941	1940	1939
January	26,141	25,800	21,688
February	28,421	23,675	20,542
March	38,196	26,964	22,333
	92,758	76,439	64,563

Shipments of Bleached Sulphite (Short Tons)

	1941	1940	1939
January	5,454	5,415	3,422
February	6,401	5,590	2,846
March	6,537	6,001	3,461
	18,392	17,006	9,729

Dominion Renews Provincial Debt

Extends Maturity of Alberta and B. C. Treasury Bills

The Dominion Government has extended maturity of treasury bills of Alberta and British Columbia.

Alberta treasury bills of $1.9 million maturing April 15 were renewed by Order-in-Council. Overdue B. C. treasury bills of more than $12 millions were renewed at the same time.

Await Financial Statements

The Dominion has received assurance from Alberta that amounts due under joint guarantees for 1938 seed grain advances will be paid off to the extent possible. If this obligation were met by the province in full, the Dominion would be relieved of a contingent liability of $1 million.

1941 Treasury Bill Maturities

Alberta has been granted extension of two treasury bill maturities this year amounting to $7 millions. On June 1 another $2.4 millions becomes due. Other Alberta maturities on Aug. 1, Oct. 1 and Dec. 1 total $12.4 millions.

Ottawa has renewed $12.2 millions of treasury bills this year and $22.6 millions will mature later this year.

WALKERS REDEEMS BONDS

Hiram Walker-Gooderham & Worts has called for redemption $207,000 of its 4¼% convertible debentures, due Dec. 1, 1945, on June 1, 1941, at 102½ and accrued interest. This will reduce outstanding debt to $3.7 millions. In addition, the parent company guarantees £1.5 million of 4½% debenture stock of its subsidiary in Scotland.

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Inter. Petroleum Gets More Oil in Venezuela

Output of crude oil from the Mene Grande Oil Co. fields in Venezuela, in which International Petroleum Co. has a one-quarter interest, totalled 3.7 million barrels in January and 3.3 million barrels in February of this year. Mene Grande Oil Co. exported just under 4 million barrels in January and 3.9 million barrels in February.

Production of crude oil in Venezuela in February continued the increase which has been in evidence since the low point following the outbreak of war was reached last November.

BRITISH COLUMBIA POWER CORPORATION

LIMITED
and Subsidiaries

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CONSOLIDATED BALANCE SHEET

as at December 31, 1940

ASSETS

Current and Working Assets:		
Cash at Banks and on hand	$ 1,470,410.76	
Accounts Receivable less Reserve	1,738,013.81	
Insurance unexpired and prepaid items	211,528.61	
Employees' Housing Loans, Mortgages, etc.	85,570.76	
Stores, Materials and Supplies, determined as to quantities by book inventories confirmed by periodical counts or measurements, valued at average cost	1,545,910.03	$ 5,051,433.97
Investments:		
Corporation's shares purchased by Subsidiaries for re-sale to customers and employees (Market value December 31, 1940, $443,475.25)	$ 666,539.77	
City of Vancouver 3% Instalment Debentures, at cost	116,013.60	
		782,553.37
Bond Refunding Expense:		
Premium and exchange on bonds redeemed, bond conversion expenses and discount—balance		1,331,390.72
Property Account:		
Book values which represent the cost of acquisition, and the cost of subsequent additions, including discount on bonds of $728,670.56 which is charged to Construction Accounts of Subsidiaries	$145,355,679.07	
Less Provision for Depreciation and Renewals	29,970,361.97	
		115,385,317.10
		$122,550,695.16

Note: An appraisal of the properties of the British Columbia Power Corporation, Limited and its subsidiaries, made by Stone & Webster Engineering Corporation of Boston, Massachusetts, as of December 31, 1936, shows a total replacement cost as at that date (after a deduction for existing physical depreciation) of $131,802,312. This foregoing total includes an amount of $15,000,000 for going concern value.

The balance in the Property Account as at December 31, 1936 after deducting the reserve for Depreciation was $113,739,799.32.

LIABILITIES

Current and Accrued Liabilities:		
Accounts Payable	$ 1,362,188.40	
Reserve for Income, Excess Profits and other Taxes	2,068,756.39	
Debenture and Bond Interest accrued	508,537.49	
Dividends declared, since paid	735,920.00	
		$ 4,675,402.28
Bond Debt		38,097,624.50
Capital Stocks of Subsidiaries Held by Public:		
British Columbia Electric Railway Co., Ltd.— 5% Cumulative Perpetual Preference Stock	$ 6,984,000.00	
British Columbia Electric Power & Gas Co. Ltd.— 6% Cumulative Preference Shares	5,000,000.00	
The Company has the right to redeem these 6% Preference Shares with a premium of 5% subject to the sanction of the Supreme Court of British Columbia.		
Minority Shareholders of Subsidiaries	3,446.25	
		11,987,446.25
Reserves:		
General and Accident		1,328,703.71
Capital:		
Authorized— 1,500,000 Class "A" Shares without nominal or par value entitled in each fiscal year to non-cumulative preferential dividends aggregating $2.00 per share and equal participation with Class "B" Shares up to a further $3.00 per share, redeemable at any time on resolution of Directors at $100.00 per share. 1,500,000 Class "B" Shares without nominal or par value.		
Issued— 1,000,000 Class "A" Shares and 1,000,000 Class "B" Shares issued for a total cash consideration of	$ 59,250,000.00	
Capital Surplus:		
Surpluses of Subsidiaries as at May 19, 1928, the date of the acquisition of their Capital Stocks by the Corporation	6,115,764.59	
Earned Surplus (as per statement attached)	1,095,753.83	
		66,461,518.42
		$122,550,695.16

Approved on behalf of the Board: { W. G. MURRIN, Director. GEORGE KIDD, Director.

AUDITORS' REPORT TO THE SHAREHOLDERS

We have made an examination of the books and accounts of the British Columbia Power Corporation, Limited and its Subsidiary Companies for the year ending December 31, 1940, and have obtained all the information and explanations which we have required. Subject to final determination of the Companies' liability for Income and Excess Profits Taxes, we report that, in our opinion, the above Consolidated Balance Sheet at December 31, 1940 is properly drawn up so as to exhibit a true and correct view of the state of the combined affairs of the Corporation and its Subsidiary Companies, according to the best of our information and the explanations given to us and as shown by the books of the Companies.

PRICE, WATERHOUSE & CO.,
Chartered Accountants.

Vancouver, B.C., March 24, 1941.

CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND EARNED SURPLUS ACCOUNT

for the Year Ending December 31, 1940

Gross Revenue from Operations	$ 16,911,254.05	
Income from Investments	39,916.79	
		$ 16,951,170.84
Deduct—		
Expenses including Municipal Taxes	$ 8,247,220.21	
Legal Fees and Executive Remuneration	92,395.35	
Directors' Fees	21,000.00	
Provision for Accidents	60,000.00	
Provision for Depreciation and Renewals	2,305,102.80	
Provision for Income and Excess Profits Taxes	1,932,500.00	
		12,658,218.36
		$ 4,292,952.48
Deduct—		
Interest on Bond Debt	$ 1,534,204.67	
Bond Refunding Expense written off	75,643.00	
		1,609,847.67
Net Profit for the year		$ 2,683,104.81
Deduct—		
Dividends on Preference Stocks of Subsidiaries:		
5% Cumulative Perpetual Preference Stock	$ 321,840.00	
6% Cumulative Preference Shares	300,000.00	
		621,840.00
		$ 2,061,264.81
Deduct—		
Dividends on Class "A" Shares for the year ending December 31, 1940		2,000,000.00
		$ 61,264.81
Add—		
Earned Surplus—balance at December 31, 1939		1,034,489.02
Earned Surplus—balance at December 31, 1940		$ 1,095,753.83